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UNIFORM CLASSIFICATION OF ACCOUNTS
FOR GAS PIPE LINE COMPANIES





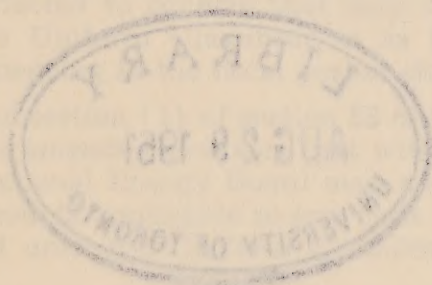
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UNIFORM CLASSIFICATION OF ACCOUNTS

for

GAS PIPE LINE COMPANIES



**UNDER JURISDICTION OF THE
NATIONAL ENERGY BOARD**



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FOREWORD

The Uniform Classification of Accounts for Gas Pipe Line Companies has been developed with full cooperation of the Canadian Gas Association, the companies concerned and the National Energy Board Committee on Uniform Classification of Accounts for Gas Pipe Line Companies.

The Board approved this system of accounts on January 19, 1961 and has asked the companies affected to confirm that they are keeping their accounts in accordance with the Uniform Classification as from January 1, 1961, or will so keep them commencing in the fiscal period starting in 1961.

Paragraph (c) of subsection (1) of section 88 of the National Energy Board Act R.S.C. 1959, c. 46 as amended provides that with the approval of the Governor in Council, the National Energy Board may make regulations prescribing a uniform system of accounts applicable to any class of company. Formal regulation is being deferred until the Uniform Classification has been tested and, if necessary, amended.

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UNIFORM CLASSIFICATION OF ACCOUNTS

GENERAL INSTRUCTIONS

1. Companies to Which Classification Applies

All gas pipe line companies subject to the jurisdiction of the National Energy Board shall, unless otherwise directed, follow these accounting instructions.

2. Records

The books to be used in recording transactions as classified in these instructions are not prescribed. They shall conform, however, to accepted accounting procedure and every account in the general ledger, in which transactions are assembled for balance sheet purposes, shall bear reference to the account number and title under which it is classified. However, each gas pipe line company may, in addition, use a different system of account numbers, provided the account numbers herein described appear in the descriptive headings of the ledger accounts. Annual results shall be stated on the basis of years ending December 31st.

The accounts shall be posted currently and a general ledger trial balance shall be drawn off at the close of each month, but the closing of accounts for that purpose may be indicated in any orderly manner. Final entries for each month shall be made not later than sixty days after the last day of the month for which accounts are stated, except that the period within which the final entries for the month of December shall be made may be extended to such date in the following March as will not interfere with preparation and filing of annual reports with the National Energy Board.

The records shall be kept in such form as to permit determination of the correctness of the accounting and with sufficient particularity to show fully the facts pertaining to all entries made in the accounts. Where full information is not recorded in the general books, the entries therein shall be supported by other records in which full details shall be shown. The general book entries shall contain sufficient reference to the detail records to permit ready identification, and the detail records shall be filed in such manner as to be readily accessible for examination by representatives of the Board. Companies are at liberty to subdivide the general and primary accounts here given.

3. Purpose of Account Grouping

The accounts of this classification are grouped so as to show the results of the group of which they form a part. The plant accounts are classified according to the various types of plant included therein and the operating and maintenance accounts are classified according to the function which benefitted from the expense.

Balance sheet accounts. (account No. series 100 and 200) The balance sheet and related accounts are designed to disclose the company's financial condition at the balance sheet date, by showing the assets, liabilities, capital stock and related items and the balance of retained earnings (or deficit).

Income accounts. (account Nos. 300 to 330 inclusive) The accounts in this grouping summarize revenues and expenses and are designed to show for each calendar year the total amount of money that the company has earned for services, the cost of rendering services, the accrued return on investments, and the amount of accrued taxes and accrued charges for the use of money or property of others. Revenues and expenses of non gas pipe line operations shall be included in the accounts provided for this type of revenue and expense. The net balance of income (or loss) shall be transferred to retained earnings.

Retained earnings accounts. (account Nos. 350 to 359 inclusive) Primary accounts in this grouping form a connecting link between the income accounts and retained earnings (deficit) as stated on the balance sheet and an analysis of changes in retained earnings (deficit) balance during the year.

In addition to this final summarization of regular financial results, the group also provides accounts to disclose the results of unusual items which in aggregate are so material in relation to net income of the year that inclusion therein would impair its significance and be misleading. Such accounts for credit or debit adjustment of retained earnings shall include all special and extraordinary gains and losses of this nature during the year which are not clearly identifiable with usual or typical business relations.

Plant accounts. (account No. series 400) The primary accounts in this grouping are designed to classify the company's plant used in gas pipe line operations.

The physical plant not used in pipe line operations is provided for in a balance sheet account for other plant. The plant accounts shall be so maintained as to show separately expenditures for each authorized addition and replacement project.

Operating revenue accounts. (account No. series 500) The accounts in this grouping are designed to classify all revenue which the company is entitled to receive from pipe line operations and from operations incident thereto.

Operating and Maintenance accounts. (account No. series 600, 700 and 800) The accounts in these groupings are designed to classify the expenses of operating and maintaining plant, property and equipment in service and the cost of gas purchased and the cost of gas used in connection with pipe line operations.

Within the operating and maintenance accounts are separate groups of accounts for Gathering, Products Extraction, Gas Supply, Underground Storage, Transmission, General and Administrative and General. These separate groups of accounts are provided to assist the company in compiling the statements required for these operations.

Clearing accounts. (account No. series 900) The accounts in this group include expenses relating to operations, maintenance and construction, which cannot be equitably distributed directly to a particular expense or plant account. Amounts charged to these accounts shall be accumulated and then charged out on an equitable basis. Any balances shall be closed out before the year end balance sheet is prepared.

The company may, at its option, use other clearing accounts in addition to those contained in this classification. However, all such additional clearing accounts used by the company shall be subject to the instructions in the same manner as if they were included in this classification.

4. Interpretation of Lists

Lists have been given as part of the text of accounts in this classification to indicate the application of accounting rules in specific cases. The appearance of a component or item in a list warrants the inclusion of the component or item in the account only when the text of the account also indicates inclusion, since the same component or item frequently appears in more than one list. The lists in every case are to be considered as merely representative and not as excluding from any account analogous components or items which happen to be omitted from the list.

5. Submission of Questions

Since uniformity of accounting results is a basic reason for this system of accounts, companies shall submit all questions of doubtful interpretation of the accounting rules to the National Energy Board for consideration and decision.

6. Plant Acquired or Constructed

The primary plant accounts shall record the cost to acquire or construct gas plant constituting an operating unit or system. If consideration given for such plant is other than money, the money value of the consideration at the time of the transaction shall be charged to the applicable accounts and a record of the actual consideration, in sufficient detail to identify it, shall be retained.

Where the company purchases all or part of the existing facilities of another gas company the company shall prepare and submit to the National Energy Board for its approval the proposed method of accounting for such purchase together with the company's reasons therefor. If the facilities are purchased from an affiliated company both the cost to the affiliated company and accumulated depreciation to date of purchase as shown by the books of the affiliated company shall be recorded in the company's accounts.

If the plant acquired is constructed by or for the company, the cost to be recorded shall include the cost of labour, material and supplies, special machine and heavy work equipment service, transportation, contract work, insurance, injuries and damages, privileges, overhead during construction and interest during construction. For this purpose the items of cost here referred to are defined below.

Cost of labour includes the amount paid for labour (including fringe benefits) performed by the company's own employees. When employees are specially assigned to construction work, their pay, while thus engaged shall be included in the cost of the work. No charge shall be made to primary plant accounts for the pay of employees whose services in connection with construction are merely incidental, except as provided for in cost of overhead during construction.

The travelling and other incidental expenses of employees shall be distributed in accordance with distribution of the pay of such employees.

Cost of material and supplies includes the purchase price of material and supplies, including small tools, at the point of free delivery plus the cost of ad valorem taxes, and of inspection, transportation and loading assumed by the company, and where appropriate, a suitable proportion of store expenses. In determining the cost of material and supplies suitable allowance shall be made for all discounts allowed and realized on the purchase thereof.

In charging the plant accounts with material and supplies used, proper allowance shall be made for the value of unused portions and other salvage; for the value of the material recovered from temporary pipe, scaffolding, and other temporary structures used in construction; and for the value of small tools recovered and usable for other purposes.

Cost of special machine and heavy work equipment service includes the cost of labour, material and supplies, depreciation and other expenses incurred in maintaining and operating power shovels, scrapers, pile drivers, dredges, ditchers, material loaders and other labour saving machines; also amounts paid to others for rent and maintenance of such machines. It does not include the cost of small tools and other individual items of small value or short life which are included in the cost of material and supplies

When a construction project necessitates the purchase of equipment to be used exclusively therein until its work on the project is completed, the cost of such equipment shall be included in the accounts representing the cost of the work and no charge shall be made to expenses for depreciation on such equipment while the cost remains so charged. The amount realized from any subsequent sale, or the appraised value of equipment retained after the completion of the work for it was purchased, shall be credited to the accounts charged with its cost. The appraised value of such equipment retained shall be debited to the appropriate primary account, and thereafter, for the purposes of accounting, such appraised value shall be considered as the cost of the equipment.

Cost of transportation includes the cost of transporting men, material and supplies, special machine outfits and appliances and tools for construction purposes. The cost of the transportation of construction material to the point where material is received by the company shall be included, so far as practicable, as a part of the cost of such material.

Cost of contract work includes amounts paid for work performed under contract by other companies or individuals.

Cost of insurance, injuries and damages includes that portion of premiums incurred for insuring plant and personnel during construction; also the charges for protection against fire and wilful destruction and the cost of injuries to persons and damages to plant to such construction. Insurance recovered shall be credited to the accounts chargeable with the expenditures necessary to restore the damaged plant. The injuries and damages incident to the removal of old structures or parts thereof shall be charged to the account recording retirement costs.

Cost of privileges includes compensation for temporary privileges such as the use of public property or streets, in connection with construction work.

Cost of overhead charged to construction includes engineering, supervision, administrative salaries and expenses, construction engineering and supervision, law expenses, taxes and other analogous items. The assignment of overhead costs to particular jobs or units shall be on the basis of actual and reasonable costs. The records supporting the entries for overhead charged to construction costs shall be maintained so as to show the total amount of each overhead for the year and the basis of distribution.

Cost of interest during construction may include the cost to the company for the use of funds for the purposes of construction whether or not long term debt has been incurred. The basis of calculation of cost shall be as outlined in account No. 497, "Interest during construction" and the company may, at its option, prorate such cost over the appropriate depreciable plant accounts.

Date devoted to service. On the date the plant is devoted to service, the company shall cease to capitalize interest during construction on such plant as is complete and in service and it shall compute and charge to expenses or other appropriate accounts an amount representing depreciation as determined under section 10 of these instructions. Operating revenues received and operating expenses incurred after the date devoted to public service shall be included in the appropriate operating revenue and expense accounts and shall be reported as such in the company's Annual Reports to the National Energy Board.

7. Additions

Additions are increases in gas plant through purchase or construction of additional plant and/or replacement of existing plant. The cost of additions to or replacement of gas plant shall be charged to the appropriate plant account.

Description of typical elements of construction are referred to in general instruction, Section 6, "Plant acquired or constructed". All expenditures relevant to new construction are capitalized. After the completion of initial construction, only the costs directly connected to additions or replacements of plant are capitalized.

For the purpose of avoiding undue refinement in accounting for additions and replacements of gas plant, all property, charged within the plant accounts, shall be considered as consisting of plant units and minor items of plant.

Plant Units—Each company shall use its own list of plant units. Such list shall be filed with and be subject to the approval of the National Energy Board.

A plant unit is not necessarily a complete structure but may be part of a complete structure where such a part is a physically distinct part of the structure, and the amount of money involved is material.

The plant units listed are to be considered representative and do not exclude analogous units which may have been omitted from such list. Where additional plant units are desired in the list for a given account, appropriate plant units may be selected preferably from the units listed for other accounts. The list of plant units, as filed, may be revised and amended from time to time as experience and conditions warrant.

Plant units shall be accounted for in the following manner:

Additions—the cost of a plant unit shall be charged to the appropriate plant account.

Retirements—the ledger value of a plant unit shall be credited to the appropriate plant account.

Replacements—the ledger value of the original plant unit shall be credited to the appropriate plant account and the cost of the replacement shall be charged to the appropriate plant account.

Minor Items of Plant—are the associated parts or items composing a plant unit and shall be accounted for in the following manner:

Additions—the cost of a minor item of plant which did not previously exist shall be charged to the appropriate plant account unless excluded therefrom by the minimum rule.

Retirements—the ledger value of a minor item of plant shall be credited to the appropriate plant account. If, however, the ledger value of the minor item retired and not replaced will be accounted for upon the

retirement of the plant unit with which it is associated, no adjustment shall be made to the plant accounts when such minor item is retired.

Replacements—the cost of a minor item of plant shall be charged to the appropriate expense account.

Minimum Rule—when minor items of plant are acquired the cost of which is less than \$500 the cost shall be charged to expenses. The company shall not combine unrelated minor items of plant for the purpose of excluding them from this rule nor shall expenditures made under a general plan for related items costing \$500 or more per item be parcelled out into smaller parcels for the purpose of charging capital items to expense.

The company may for the purpose of its accounting adopt a limit of less than the aforementioned amount for minor items of plant provided it first files a request with the National Energy Board and obtains from the Board permission to adopt a lower limit. No subsequent change is to be made in the amount of the limit except by authority of the National Energy Board.

Repairs Made During Plant Changes—see general instructions, section 9, "Maintenance".

Relocation of Pipe Line—see general instructions, section 8, "Retirements".

Second-hand Plant—when second-hand plant acquired (not previously owned by the company) is in such physical condition that it is necessary to make extensive repairs to it to bring it up to the standard required by the company, the cost of such repairs shall be included in the appropriate plant account.

Major Renewals and Repairs—When the cost of renewals to parts of a plant unit, exclusive of the expense of dismantling and/or repairing old parts reused exceeds fifty percent of the replacement cost new of a plant unit of the kind and class as rebuilt at the time of rebuilding, the plant unit shall be considered as rebuilt. This rule does not apply to renewal of a plant unit, the replacement cost new of which does not exceed \$60,000.

The rebuilt plant unit shall be accounted for as an addition and the old plant unit accounted for as retired from service. The term "cost of renewals" means the cost of material (other than second-hand parts remaining in the rebuilt plant unit) plus the cost of labour used in the rebuilding process, exclusive of the expense of dismantling and repairing old parts reused.

The charge to the appropriate plant account for the rebuilt plant unit shall be the sum of (1) the value of the second-hand parts remaining in the rebuilt plant unit, appropriately valued and (2) the cost of labour and additional material applied both exclusive of the expense of dismantling and repairing second-hand parts reused.

8. Retirements

(A) When a plant unit is retired from pipe line operations the ledger value shall be credited to the appropriate plant account. When plant comprising less than a plant unit is removed from service, no adjustment shall be made to the plant account if its value will be retired upon the retirement of the plant unit with which it is associated. If the plant being retired is classified as depreciable, the ledger value less the net salvage value and/or insurance, if any, recovered shall be charged to accumulated depreciation.

Ledger value is the amount at which property is carried in the plant account. In case the value of any portion of plant is not shown separately, the ledger value of that portion shall be its proportionate share of the value of the entire group in which the particular plant is included.

Salvage value represents the value of material recovered from plant retired. If sold this value shall be the selling price. If retained for use by the company and charged to account No. 150, "Material and supplies—gas", or other accounts of this classification this value shall be the recorded undepreciated cost of the material. Net salvage value means the salvage value less removal costs. In a case when the insurance recovery and salvage exceeds the ledger value, and the amount of the excess is material, the total credit to the accumulated depreciation account shall not exceed the ledger value. Any such excess, if material, shall be credited to account No. 351, "Profit from sale of plant".

Ordinary retirements result from causes reasonably assumed to have been contemplated in prior depreciation provisions, and normally may be expected to occur when plant reaches the end of its expected service life. In the case of such a retirement, accumulated depreciation shall be charged with the ledger value and the cost of removal and credited with amounts realized for salvage and insurance. There is no charge or credit to income for an ordinary retirement. (See "Depreciation", section 10 (B) of these instructions.)

Extraordinary retirements result from causes not reasonably assumed to have been anticipated or contemplated in prior depreciation or amortization provisions. Such causes include unusual casualties (fire, storm, flood, etc.), sudden and complete obsolescence, or unexpected and permanent shutdown of an entire operating assembly or plant. An extraordinary retirement results in a loss (or gain) to the extent that the net charges (or credits) would unduly deplete (or inflate) the accumulated depreciation or amortization accounts. A loss (or gain) is comprised of the difference between plant ledger value plus cost of removal less salvage and insurance recoveries and the related depreciation or amortization determined in an equitable manner.

Losses as a result of an extraordinary retirement shall be charged to account No. 171, "Extraordinary plant losses", or, if material, to account No. 355, "Loss from sale or retirement of plant". Amounts charged to account No. 171, "Extraordinary plant losses" are subject to amortization only on approval of the National Energy Board. Gains, if any, as a result of an extraordinary retirement shall, if material, be credited to account No. 351, "Profit from sale of plant".

(B) **Non-depreciable plant.** When non-depreciable plant is no longer required for gas pipe line purposes but is retained by the company, its ledger value shall be transferred to account No. 110, "Other plant". When non-depreciable plant is sold the ledger value shall be credited with the cost and any profit or loss, if material, shall be recorded in account No. 351, "Profit from sale of plant" or account No. 355, "Loss from sale or retirement of plant", as applicable.

If the profit or loss on disposal of non-depreciable plant is immaterial, such profit or loss shall be recorded in account No. 319, "Other income" or account No. 329, "Other income deductions", as applicable.

(C) **Pipe relocations.** Where a pipe line is relocated the part of the line changed shall be considered plant retired and its ledger value credited to the appropriate plant account. The new line shall be considered an addition and its cost charged to the appropriate plant account. The cost of such pipe line changes which involve less than a plant unit of line pipe shall be charged to expense.

Where a company's pipe line or any part thereof is located in accordance with an agreement, the terms of which may require the company to relocate all or part of its pipe line, and the circumstances are such that the company has no reasonable alternative but to relocate more than a plant unit of line pipe and such relocation would be a replacement (as defined in general instructions, section 7) unless otherwise provided, the company may, with approval of the National Energy Board, charge the costs of relocation to expenses of the period in which the work was done. Where such relocation results from action by a governmental authority it may be accounted for in a similar manner.

(D) **Pipe replacements.** Where the retired line pipe is replaced with other pipe in the same location, the cost of opening and back filling the trench, together with the cost of hauling, laying and connecting the pipe, and other costs of pipe line construction, shall be charged to the appropriate plant account. The cost of removing the retired pipe from the trench shall be accounted for as cost of recovering the salvage. The cost of reconditioning the line pipe not removed shall be accounted for as maintenance and not as retirements and replacements.

If the retired line pipe is not replaced in the same location, the cost of opening and back filling the trench from which the pipe is removed, together with the cost of removing the pipe, shall be accounted for as cost of recovering the salvage.

9. Maintenance

The cost of repairs to be included in the maintenance accounts shall include the cost of inspecting to determine what repairs are necessary; also the cost of adjusting, repairing, or replacing parts, and the cost of inspecting, testing and running of parts to determine that repairs were properly made and that the repaired item is ready for service.

When repairs are made to existing plant concurrent with a plant addition or replacement the cost of new repair materials plus the labour cost actually incurred, shall be charged to the appropriate plant account. If such repairs do not include a plant addition or replacement then the cost shall be charged to the expense account appropriate for repairs to the plant being repaired.

Incidental costs such as the construction and removal of false work in connection with maintenance; the cost of relocating pipe line plant when retirement accounting for units of plant is not involved; the cost of repairing fences, sidewalks, driveways and streets within or adjacent to such grounds; shall all be included in the cost of repairs. When performed by employees whose pay is normally charged to operating accounts the following may be charged to the maintenance accounts or the operating accounts at the option of the company; the cost of mowing and beautifying grounds around buildings; the cost of removing snow from roofs of buildings; the cost of periodical restoration of seasonal features, such as gardens, shrubbery and lawns; and the cost of clearing and removing ice, snow and fallen timber. In general maintenance shall be charged with the costs of repairing and renewing plant.

The elements of maintenance shall include labour, material and supplies, special machine and heavy work equipment service, transportation, contract work, privileges, protection from casualties and injuries and damages as outlined in general instruction 6 for similar elements of cost of plant acquired or constructed. Royalties paid for patent rights on mechanical appliances used in repairs shall be included in the cost of repairs.

Equalization of maintenance expenses. The cost of maintaining plant shall be included in the appropriate primary accounts in the month in which the expense is incurred. In case the company adopts a budget or estimate, for all or a part of the calendar year of expenses includable in one or more primary maintenance accounts, an equitable monthly proportion of the difference between the budgeted or estimated expenses and the actual expenses chargeable each month may be debited or credited to the appropriate expense accounts with contra entries in account No. 275, "Gas cost and maintenance equalization". If certain primary accounts only are budgeted, the company's records shall show, for amounts included in the equalization reserve account, the amount of the equalization assignable to each such primary account.

10. Depreciation

(A) There shall be charged monthly to expenses or other appropriate accounts and credited to the accounts for accumulated depreciation amounts which will allocate the service value of the plant over its estimated service life in a systematic and rational manner. The service value of the assets, for depreciation purposes, shall be their cost less their estimated net salvage value. Net salvage value means the salvage value less removal costs. In determining the amount of the allocation, consideration may properly be given to pertinent factors such as variations in use, increasing obsolescence or inadequacy. The charges for depreciation shall be computed in conformity with the group system under the straight line method, the "user" or unit of production method, the diminishing value or other methods approved by the National Energy Board.

(B) The service life is the period of time between the installation of the plant and its retirement for accounting purposes.

The group system contemplates that some part of the investment in a group of assets probably will be recovered through salvage realizations and that probably there will be variations in the service lives of the assets constituting the group, even among assets of the same class. The depreciation provision determined for the group is a weighted average of the various individual provisions reflecting the individual expectancies of life and salvage for the respective assets in the group. It is not the intention of this classification to require the company to keep records of the accumulated depreciation of each unit of plant. However, for purposes of reporting to the National Energy Board, summaries shall be maintained so that the accumulated depreciation can be subdivided to show separately the amount applicable to each primary account or to each group of primary accounts comprised of plant which performs similar functions.

When the retirement or disposal of any individual asset in a group occurs under circumstances reasonably provided for through accumulated depreciation, it may be assumed such provision has been made. Thus, whether the period of service is less or greater than average, accumulated depreciation attributable to an asset at the time of retirement under such circumstances, is equal to the cost, except for that portion reasonably assumed recoverable through salvage realization. Assets remaining in use after reaching the average life expectancy are not regarded as fully depreciated until actual retirement. (See section 8 (A) of these general instructions.)

(C) All primary plant accounts (with the exception of accounts in the 400 series for "Land" and account No. 458, "Base pressure gas") are classed as accounts covering assets which are depreciable. In addition to the extent that account Nos. 401, "Franchises and consents", 402, "Other intangible plant", or other similar accounts such as "Land rights" contain items which are subject to recognizable loss in value, such items shall be depreciable.

(D) Monthly depreciation charges under the straight line method shall be computed by applying the annual percentage rate to the depreciation base as of the first of each month and dividing the result by twelve or if the company obtains prior approval of the National Energy Board, the annual percentage rate may be applied to the depreciation base at the beginning of the company year.

Monthly depreciation charges under the "user" or unit of production method shall be computed by applying the appropriate rate per unit for the year to the number of units of use or production for the month.

Monthly depreciation charges under the diminishing value method shall be computed by applying the annual percentage rate to the undepreciated base as of the first of each month and dividing the result by twelve.

The company may, at its option and where the amount is material, compute depreciation charges commencing on the date the plant was actually transferred to service rather than the first of the month following transfer to service.

(E) A separate rate for each group of primary accounts or each primary account, shall be used in computing depreciation charges. The rate so established may itself be a composite rate due to the different types of assets in the primary account. The rate shall be such as has been approved by the National Energy Board, except that where no rate for each group of primary accounts or each primary account has previously been approved, an interim rate as estimated by the company shall be used until approved by the Board.

(F) As soon as the information can be assembled the company shall file with the National Energy Board rates estimated to be appropriate for each primary account or each group of primary accounts covering depreciable plant. Non-depreciable plant shall not be included in calculating the rates nor in applying them. These rates shall be based on the estimated service values and estimated service lives of the plant developed by a study of the company's history and experience and such engineering and other information as may be available with respect to future conditions. Such rates shall, for each primary account or group of primary accounts comprised of more than one class of plant, produce a charge for depreciation equal to the sum of the amounts that would otherwise be chargeable as depreciation for each of the various classes of plant included in such account or such group of accounts. The rates when filed shall be accompanied by a statement showing the bases therefor and the methods employed in their computation, and may be developed by the company by the method deemed most appropriate for the portrayal of the depreciation experienced.

(G) The company providing depreciation under either the straight line method or the "user" or unit of production method shall keep such records of depreciable plant and plant retirements as will reflect the service life of plant which has been retired, or will permit the determination of service life indications by mortality, turn-over or other appropriate methods. Such records shall reflect the percentage of value of the net salvage for plant retired from each group of depreciable plant.

The company providing depreciation on the diminishing value or other method approved by the National Energy Board shall be prepared to submit when directed by the Board, such records of depreciable plant and plant retirements as will reflect the service life of plant which has been retired, or will permit the determination of service life indications by mortality, turn-over or other appropriate methods. Such records shall reflect the percentage of value of the net salvage for plant retired from each group of depreciable plant.

The company shall be prepared at any time, upon direction of the National Energy Board, to compute and submit for its approval revised rates in cases where existing rates are deemed inapplicable.

(H) In the event rates approved by the National Energy Board, in the judgment of the company, become no longer applicable, the company shall in like manner file revised rates which in its judgment should be established. Where plant is acquired for which no rates have been approved the company shall immediately compile and submit to the National Energy Board appropriate estimates developed in accordance with the provision of sub-paragraph (F) of these instructions.

(I) When the company wishes to change from depreciation accounting to amortization accounting in view of probable abandonment of plant due to exhaustion of particular sources of traffic, the authorization of the National Energy Board is required (See account No. 106, "Accumulated amortization—gas plant").

11. Insurance

Insurance premiums paid to commercial insurance companies shall be charged to account No. 723, "Insurance" unless the costs are incurred in connection with construction, employee benefits or charged to clearing accounts. Insurance costs relative to the construction of pipe line facilities shall be charged pro rata to the plant accounts. Insurance cost relative to employee benefits shall be charged to account No. 725, "Employee benefits". Accounts recovered from such insurance shall be credited to the account or accounts charged with the related loss.

Account No. 723, "Insurance" shall also be charged with estimated amounts in lieu of commercial insurance premiums, if the company elects to create and maintain reserves for self insurance. A schedule of risks covered by self insurance shall be kept, showing the character of risk and the rates used to compute the estimated charges. The rates shall not exceed commercial rates for the same protection. Claims paid, damages suffered, repairs made, or loss because of plant retired, when covered by the self insurance schedule, shall be charged to the insurance reserve. To the extent that the loss is not covered by the insurance reserve, such loss shall be charged to the appropriate expense account.

If the company reinsures self carried risks with a commercial insurance company, premiums for such policies shall be debited to the insurance reserve and recoveries under the policies shall also be credited thereto.

12. Funds, Reserves and Appropriations

Where certain assets such as cash and securities have been set aside for a specific purpose, such assets shall be included in account No. 122, "Sinking funds" or account No. 123, "Miscellaneous special funds", as applicable. The

company's contribution to these funds shall be appropriated from retained earnings or charged to expenses and shall be credited to account No. 291, "Welfare and pension reserves" or account No. 290, "Insurance reserves" as applicable.

Income from assets held in account No. 122, "Sinking funds" and account No. 123, "Miscellaneous special funds" shall be credited to account No. 316, "Income from sinking and other funds" and, when required by the mortgage or other provision to be held in the funds, cash and/or securities shall be transferred to the fund accounts applicable.

Where the mortgage or other provision requires that income from assets held in the fund be added to the fund the company shall charge account No. 329, "Other income deductions" and credit account No. 291, "Welfare and pension reserves" or account No. 290, "Insurance reserves", as applicable, with the amount of the income.

Profits and losses from the sale of assets held in account No. 122, "Sinking funds" and account No. 123, "Miscellaneous special funds" shall be accounted for in the same manner as the income from assets held in these accounts and indicated in the preceding paragraphs.

13. Securities Owned

The investment in securities by the company shall be recorded in the respective accounts at the money value, at the time of acquisition, or the consideration given therefor by the company, but excluding amounts paid for accrued interest and accrued dividends.

Temporary Cash Investments

(A) When temporary cash investments with a fixed maturity date are purchased at a discount or premium, such discount or premium may be amortized over the remaining life of the securities by periodical debits or credits to the account in which the cost of the securities is recorded with corresponding credits or debits to account No. 314, "Income from investments". If the amount to be amortized does not exceed \$1,000 the company may write off the total discount or premium at one time.

(B) Profits and losses on sales, or amounts required to provide allowances for the decrease in market value, of temporary cash investments shall be recorded in account No. 314, "Income from investments" or, if material, in account Nos. 352, "Profit from sale of investments", or 356, "Loss from sale of investments", as applicable.

Other Investments

(A) When securities with a fixed maturity date, other than temporary cash investments, are purchased at a discount or premium, such discount or premium may be amortized over the remaining life of the securities by periodical debits or credits to the account in which the cost of the securities is recorded with corresponding credits or debits to account No. 314, "Income from investments". If the annual amount to be amortized does not exceed \$1,000 the company may write off the total discount or premium at one time.

No amortization entries shall be recorded in respect of discount on securities held as investments unless there is reason to believe the securities will be disposed of at a sum equal to par, or par will be collected at maturity.

(B) with respect to the company's investment in securities issued or assumed by companies deemed to be a part of the gas pipe line system, the company shall be governed by recognized accounting principles in writing down the ledger value of such securities to reflect anticipated loss in value, or may write them off entirely if there is no reasonable prospect of realizing any value whatever therefor. However, fluctuations in market value should not be recorded. Where adjustments in the ledger values of securities should be made, such adjustments should not be delayed beyond the year after that in which the loss was incurred and, where possible, the losses should be taken up in the same year. In accordance with paragraph (D) companies may create allowances for the decrease in value, from income or retained earnings, to cover such reductions in value.

(C) The amount of the adjustment to the investment in a controlled company (as defined under general instructions, section 18) considered to be a part of the gas pipe line system shall be charged to account No. 326, "Provision for loss in valuation of investments" or if the amount of the adjustment is unusually large, after obtaining the approval of the National Energy Board the adjustment shall be charged to account No. 359, "Other charges".

When losses have previously been provided for in the manner prescribed in the previous paragraph and such losses are subsequently reduced by profitable years, the company shall adjust the charges of previous years by taking into income the corresponding credits in respect of the profits earned. Such profit shall be credited to account No. 318, "Investment valuation adjustment" or account No. 354, "Other credits", as may be appropriate.

(D) Companies may provide for decrease in the value of securities owned and recorded in account No. 132, "Temporary cash investments", account No. 120, "Investments in affiliated companies" or account No. 121, "Other investments" (see account No. 126, "Allowance for loss in value of investments" and account No. 132, "Temporary cash investments".)

14. Securities Issued

For purposes of this classification of accounts premium is the excess value of the consideration received from the issue or resale of securities over the par or stated value of the company long term debt or similar obligations; discount is the excess of the par or stated value over the value of the consideration; expenses comprise amounts paid to underwriters, brokers, salesmen and agents for marketing securities. Interest or dividends accrued are not to be included as part of either premium or discount. Separate ledger accounts shall be maintained for each class or subclass of securities such as stocks, bonds or notes, with respect to which the issue or resale is at a premium or discount. Except as otherwise provided in account No. 497, "Interest during construction", no discount or expenses in respect of long term debt shall be charged to or included in any account as part of the cost of acquiring plant, tangible or intangible, or as a part of the cost of operation. Premiums on capital stock shall be entered in account No. 210, "Contributed surplus".

Discounts and premiums on long term debt and fees and expenses paid to underwriters and brokers for marketing such evidences of debt shall be

netted in account No. 170, "Unamortized debt discount and expense", or account No. 270, "Unamortized debt premium", as applicable. The cost of soliciting for loans or for the sale of bonds or other evidences of indebtedness shall be charged to account No. 170. "Unamortized debt discount and expense" or to account No. 359, "Other charges". If the amount chargeable to account No. 359, "Other charges" is not material in relation to net income or is less than the maximum referred to below, then such amount may be charged to account No. 329, "Other income deductions".

Each fiscal period there shall be charged to income account No. 321, "Amortization of debt discount, premium and expense", and credited to account No. 170, "Unamortized debt discount and expense", a proportion (based upon the ratio of such fiscal period to the remaining life of the respective securities reckoned from the beginning of the period to the date of maturity of the debt to which the charges relate) of each of the debit balances included in the latter account, and correspondingly there shall be credited to income account No. 321, "Amortization of debt discount, premium and expense", and debited to account No. 270, "Unamortized debt premium", a similar proportion of each of the credit balances included in the latter account. When the total discount and expenses or premiums less expenses applicable to any particular issue of securities does not exceed \$25,000 the company may charge or credit the entire amount to account No. 321, "Amortization of debt discount, premium and expense", at time of issue.

When any long term debt is redeemed, otherwise than by refunding, by the company before the original maturity date of the issue, that proportion of the balance remaining as unamortized discount, premium and expense on long term debt for the subclass of the security redeemed applicable to the proportion redeemed shall be credited or charged thereto, as may be appropriate, and concurrently charged or credited to income accounts in the year of such redemption. If the amount is so large that its inclusion would unduly distort the income results for the period, it shall be charged or credited to retained earnings accounts.

Where any long term debt is refunded by the company before the original maturity date of the issue, that proportion of the balance remaining in the accounts containing discount, premium and expense on long term debt for the subclass of the security applicable to the portion refunded shall be credited subclass of the security refunded applicable to the portion refunded shall be credited or charged thereto, as may be appropriate. The amount shall be concurrently charged or credited to income accounts either in the year of refunding, or over a period not exceeding the remainder of the original life of the issue retired, unless the amount is so large that its inclusion would unduly distort the income results for the period, in which case it shall be charged or credited to retained earnings accounts.

15. Current Assets and Liabilities

The accounts for current assets and current liabilities represent the company's working capital elements and are comprised of amounts available for payment of current liabilities and amounts chargeable against current resources. Although not available for payment of current liabilities, material and supplies are also to be included as current assets. Obsolete repair parts and supplies for which there is no foreseeable use are not current assets, unless carried at their scrap value.

Current assets shall include only amounts the collection of which is reasonably anticipated within one year in the normal course of business, and such other assets as may properly be classified as current assets in accordance with generally accepted accounting practice. Items of current character but of doubtful value, previously credited to revenue, expense, or income accounts, shall be written down or written off by debit to the account or accounts previously credited except that uncollectible accounts receivable shall be charged to account No. 145, "Allowance for doubtful accounts", or account No. 728, "Other general expense", as applicable.

16. Accrued Assets and Liabilities

If the effect of any transaction upon income of the month in which it occurs cannot be determined before the month's accounts are closed, the estimated asset or liability resulting therefrom shall be credited or charged to the appropriate balance sheet, revenue, expense, or income account according to the nature of the transaction. Companies shall indicate in their Annual Report to the National Energy Board any material change in practice of accounting for accruals. Companies are not required to anticipate items which would not appreciably affect the accounts.

When an accrued asset or liability is finally determined, the estimate shall be adjusted through the respective accounts originally credited or debited. At any time, if a substantial error is found in an initial estimate of this sort, it shall be adjusted currently through the same accounts.

Adjustments arising during the current year which are applicable to prior years, shall be included in the same account which would have been charged or credited if the item had been taken up or adjusted in the year to which it pertained. When the amount of the adjustment is so material that its inclusion in the appropriate account for the current year would seriously distort the revenues, expenses or income of the current year, the amount of the delayed item may be credited to "Retained Earnings" account No. 354, "Other credits", or charged to account No. 359, "Other charges", as may be appropriate.

When the amount of the adjustment is relatively so large that its inclusion in the accounts for a single month will seriously distort those accounts, it may be distributed in equal monthly charges or credits to the remaining months of the fiscal year.

17. Contingent Assets and Liabilities

Contingent assets and liabilities shall not be included in the body of the balance sheet statement but shall be shown in detail in a supplementary statement. Contingent assets are those without known value to the company until the fulfillment of conditions regarded as uncertain. Contingent liabilities are those which may under certain conditions become obligations of the company but are neither direct nor assumed obligations on the date of the balance sheet.

The par value of securities, or the total amount of other obligations, for which the company with others is jointly and severally liable shall be stated as a liability only in such amount as was not primarily assumed by others party to the issuing agreement under the terms thereof. The amount by which such part or total amount exceeds the liability, so stated or subsequently established according to the agreement, shall be shown as a contingent liability.

18. Affiliated Companies

The term affiliated companies used in this classification of accounts includes subsidiary companies and holding companies.

- (1) For the purposes of this classification, a company shall be deemed to be a subsidiary of another company if,
 - (a) it is controlled by,
 - (i) that other company, or
 - (ii) that other company and one or more companies each of which is controlled by that other company, or
 - (iii) two or more companies each of which is controlled by that other company; or
 - (b) it is a subsidiary of a company which is that other company's subsidiary.
- (2) For the purposes of this classification, one company shall be deemed to be affiliated to another company if one of them is the subsidiary of the other or both are subsidiaries of the same company or each of them is controlled by the same person.
- (3) For the purposes of this classification, a company shall be deemed to be another's holding company if that other is its subsidiary.
- (4) For the purposes of this classification, a company shall be deemed to be controlled by another company or person or by two or more companies if,
 - (a) shares of the first-mentioned company carrying more than 50% of the votes for the election of directors are held, otherwise than by way of securities only, by or for the benefit of such other company or person or by or for the benefit of such other companies; and
 - (b) the votes carried by such shares are sufficient, if exercised, to elect a majority of the board of directors of the first-mentioned company.

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BALANCE SHEET ACCOUNTS

100. Gas Plant in Service

This account shall include the investment in plant, property and equipment (including that held under contract for purchase), in service at the date of the balance sheet.

This account shall also include the cost of improvements made to leased facilities, where such improvements are used in gas service and the company is not to be reimbursed by the lessor for such improvements.

When the cost of improvements made by the company is to be refunded by the lessor, the company pending settlement with the lessor shall include the cost of such improvements in this account.

When plant (including leased facilities) is retired from service, this account shall be credited with the ledger value of the plant retired and a like amount shall be concurrently charged to account No. 103, "Retirement work in progress". (See general instructions, section 8.)

The plant included in this account shall be classified according to the detailed accounts for such plant. The cost of improvements to leased facilities shall be maintained in subdivisions separate from those relating to owned plant.

NOTE A—When the consideration given for plant is other than cash, the value of such consideration shall be determined on a cash basis. In the entry recording such transaction, the actual consideration shall be described with sufficient particularity to identify it. The company shall be prepared to furnish the National Energy Board with the particulars of its determination of the cash value of the consideration, if other than cash.

NOTE B—Improvements to facilities leased on a short term basis shall be included in account No. 179, "Other deferred debits".

101. Gas Plant Leased to Others

This account shall include the cost of gas plant owned, but leased to others as operating units or systems, where the lessee has exclusive possession.

The plant included in this account shall be classified according to the detailed accounts for plant and this account shall be maintained in such detail as though the plant were used by the company in its operations.

102. Gas Plant Held for Future Use

This account shall include the investment in plant (including that held under contract for purchase) held for future use under a definite plan for gas pipe line operations, and in existence at the date of the balance sheet.

The plant included in this account shall be classified according to the detailed accounts for plant and the account shall be maintained in such manner and in such detail as though the plant were in service.

NOTE—Material and supplies, including meters, regulators, etc., held for use as maintenance and replacement parts shall be included in account No. 150, "Material and supplies—gas".

103. Retirement Work in Progress

This account shall include amounts concurrently credited to account Nos. 100, "Gas plant in service", 101 "Gas plant leased to others", and 102, "Gas plant held for future use" in respect of gas plant retired from service. It shall also be charged with all costs incurred on removal, demolition and dismantling of gas plant during the course of its retirement. Amounts recovered for salvage and insurance on gas plant retired shall be credited hereto.

The ledger value and the cost of removal less amounts recovered shall be transferred to account No. 105, "Accumulated depreciation—gas plant", or account No. 106, "Accumulated amortization—gas plant", as applicable when final costs of each retirement are established.

105. Accumulated Depreciation—Gas Plant

This account shall be credited with amounts of depreciation concurrently charged to account No. 303, "Depreciation", to cover the loss in service value of depreciable gas plant, the cost of which is included in account Nos. 100, "Gas plant in service", 101, "Gas plant leased to others", or 102, "Gas plant held for future use". It shall also be credited with any amounts the company may be authorized to charge to account No. 359, "Other charges" in respect of past accumulated depreciation not provided for.

At the time of retirement of depreciable gas plant this account shall be charged with the ledger value of the plant retired and the cost of removal, and shall be credited with amounts recovered for salvage and insurance.

This account shall also be credited with amounts chargeable to account No. 355, "Loss from sale or retirement of plant". (See general instructions, section 8, subsection "Extraordinary retirements".)

For corporate ledger and balance sheet purposes this account shall be regarded and treated as a composite reserve. However, for purposes of analysis, the company shall maintain subsidiary records in which the accumulated depreciation is subdivided into component parts corresponding to the gas plant accounts or groups of accounts comprised of plant which perform similar functions, showing in detail the current debits and credits. (See general instructions, section 10.)

This account shall be subdivided as follows:

- (a) Accumulated depreciation—gas plant in service
- (b) Accumulated depreciation—gas plant leased to others
- (c) Accumulated depreciation—gas plant held for future use

106. Accumulated Amortization—Gas Plant

This account shall be credited with amounts concurrently charged to account No. 304, "Amortization", when the company is authorized by the National Energy Board to extinguish amounts carried in account Nos. 100, "Gas plant in service", 101, "Gas plant leased to others", or 102, "Gas plant held for future use", relating to probable abandonment of all or a significant part of gas plant or severe permanent curtailment in operations due to exhaustion of, or significant reduction in, particular sources of traffic, which can be demonstrated to the satisfaction of the National Energy Board. Where a change from depreciation accounting to amortization accounting is authorized by the Board the balance in account No. 105, "Accumulated depreciation—gas plant", shall be transferred to this account.

This account shall be charged at the time of retirement with the ledger value of the gas plant retired and the cost of removal less amounts recovered for salvage and insurance, and the difference between the accumulated amortization and the aforementioned amount in respect of such gas plant retired shall be credited or charged, as the case may be, to account No. 319, "Other income" or account No. 329, "Other income deductions", as applicable. When the retirement results in an extraordinary loss, this amount shall be charged to account No. 355, "Loss from sale or retirement of plant" or all or a portion of the loss may be charged to account No. 171, "Extraordinary plant losses". Where the retirement results in an extraordinary profit, this amount shall be credited to account No. 351, "Profit from sale of plant".

It is not required that balances in this account shall be broken down into component parts corresponding to the plant accounts or groups of account, but the account shall be subdivided as follows:

- (a) Accumulated amortization—gas plant in service
- (b) Accumulated amortization—gas plant leased to others
- (c) Accumulated amortization—gas plant held for future use.

110. Other Plant

This account shall include the investment in plant other than that includible in account Nos. 100, "Gas plant in service", 101, "Gas plant leased to others", 102, "Gas plant held for future use", or 115, "Gas plant under construction", and which is entirely distinct from and is not operated in connection with the gas service of the company.

List of Items

(See general instructions, section 4.)

Commercial power plants
Land and buildings not used in gas service
Land and property acquired and held in anticipation of an indefinite future use
Mineral and timber lands

111. Accumulated Depreciation—Other Plant

This account shall be credited with amounts of depreciation concurrently charged to account No. 303, "Depreciation" to cover loss in service value of depreciable plant, the cost of which is included in account No. 110, "Other plant". It shall also be credited with any amounts the company may charge to account No. 359, "Other charges" in respect of past accumulated depreciation not provided for.

The company may, at the time of retirement of depreciable plant, charge this account with the ledger value of the plant retired and the cost of removal, and credit it with the amounts recovered for salvage and insurance. Where the company does not follow this procedure in the retirement of other plant then at the time of retirement this account shall be charged with the accumulated depreciation on the plant retired and profits or losses on the sale of such plant, shall be included in account No. 319, "Other income", or account No. 329 "Other income deductions", as applicable. If the profits or losses are material in relation to net income for the year they shall be included in account No. 351, "Profit from sale of plant", or account No. 355, "Loss from sale or retirement of plant", as applicable.

112. Accumulated Amortization—Other Plant

This account shall be credited with amounts charged to account No. 304, "Amortization", when the company is required to extinguish amounts carried in account No. 110, "Other plant" relating to probable abandonment of all or a significant part of other plant or severe permanent curtailment in operations. When there is a change from depreciation accounting to amortization accounting the applicable balance in account No. 111, "Accumulated depreciation—other plant", shall be transferred to this account.

The company may at the time of retirement of amortizable plant charge this account with the ledger value of the plant retired and cost of removal, and credit it with the amounts recovered from salvage and insurance. Where the company does not follow this procedure in the retirement of other plant then at the time of retirement this account shall be charged with the accumulated amortization of the plant retired and profits or losses on the sale of such plant, shall be included in account No. 319, "Other income", or account No. 329, "Other income deductions", as applicable. If the profits or losses are material in relation to net income for the year they shall be included in account No. 351, "Profit from sale of plant", or account No. 355, "Loss from sale or retirement of plant" as applicable.

115. Gas Plant under Construction

This account shall include the cost of construction of gas plant, not completed ready for service at the date of balance sheet, including the cost of land acquired for such projects (see notes B, D and F of the accounts for Land) and of unapplied construction material and supplies located at point of use for the construction of new equipment and/or extensions. It shall also include taxes during construction and other elements of cost of such construction work. When any plant, the cost of construction of which has been included in this account, is completed ready for service, the cost thereof shall be credited to this account and charged to the primary plant accounts appropriate to the character of the plant.

NOTE—It is not required that this account shall include the cost of construction work which is placed in service as the work progresses.

116. Other Plant under Construction

This account shall include the cost of construction of plant other than that includible in account No. 115, "Gas plant under construction".

120. Investments in Affiliated Companies

This account shall include the ledger value of the company's investment in securities issued or assumed by affiliated companies; also investment advances made to such affiliated companies. (See general instructions, sections 13 and 18.)

This account shall be maintained in such manner as to enable information on the investment in each affiliated company to be submitted under the following headings:

- (a) Stocks
- (b) Bonds and debentures
- (c) Other secured obligations
- (d) Unsecured notes
- (e) Investment advances
- (f) Interest accrued on any of above when such interest is not subject to current settlement.

If any securities classified herein are pledged, a complete record thereof shall be maintained so that the ledger value of securities pledged and unpledged may be shown separately in the Annual Report to the National Energy Board.

NOTE—Accounts with affiliated companies which are subject to current settlement, if their collection is reasonably assured, shall be included in account No. 142, "Accounts receivable—affiliated companies".

121. Other Investments

This account shall include the ledger value of the company's investment in securities issued or assumed by non-affiliated companies, other than securities held in special deposits or special funds; also investment advances made to such non-affiliated companies and individuals. (See general instructions, section 13.)

This account shall be maintained in such a manner as to enable information on the investment in each non-affiliated company to be submitted under the following headings:

- (a) Stocks
- (b) Bonds and debentures
- (c) Other secured obligations
- (d) Unsecured notes
- (e) Investment advances
- (f) Interest accrued on any of above when such interest is not subject to current settlement.

If any securities classified herein are pledged, a complete record thereof shall be maintained so that the ledger value of securities pledged and unpledged may be shown separately in the Annual Report to the National Energy Board.

NOTE A—Accounts with non-affiliated companies which are subject to current settlement, if their collection is reasonably assured, shall be classed as current assets and included in account No. 141, "Accounts receivable—other", but if settlement is deferred beyond one year such items shall be transferred to account No. 179, "Other deferred debits".

NOTE B—The term non-affiliated companies includes all companies other than those defined as affiliated. (See general instructions, section 18.)

122. Sinking Funds

This account shall include cash and the ledger value of securities and other assets, held by trustees or by the company's treasurer, which have been segregated in distinct funds and are for the purpose of providing resources for the redemption of debt or capital stock.

A separate account shall be kept for the sinking funds applicable to each class of debt or capital stock issue.

An appropriate record shall be maintained for securities issued or assumed by the company and held in such funds.

NOTE A—When assets are definitely assigned in advance of expenditure to the payment of interest or other current liabilities payable within one year they shall be transferred to the appropriate current asset account.

NOTE B—Bank deposits subject to current withdrawal for specific purposes only, shall be included in account No. 131, "Special deposits". Deposits available for general company purposes shall be included in account No. 130, "Cash".

123. Miscellaneous Special Funds

This account shall include cash and the ledger value of securities and other assets, held by trustees, managers or by the company's treasurer, which have been segregated in funds for insurance, employees' pension, savings, relief, hospital, and other purposes not provided for elsewhere. A separate account shall be kept for each fund. (See general instructions, section 12.)

NOTE A—Sinking funds are provided for in account No. 122, "Sinking funds".

NOTE B—This account shall not include funds held by the company solely as trustee and in which it has no beneficial interest.

NOTE C—Bank deposits subject to current withdrawal for specific purposes only shall be included in account No. 131, "Special deposits". Deposits available for general company purposes shall be included in account No. 130, "Cash".

124. Company Long Term Debt Owned

This account shall include the ledger value of long term debt issued or assumed by the company, acquired by it and not yet cancelled, other than such long term debt held in sinking or miscellaneous special funds.

This account shall show:

- (a) total par value unpledged
- (b) total par value pledged.

NOTE—The amount of long term debt owned shall, for purposes of balance sheet presentation, be deducted from the amount of outstanding long term debt included in account No. 258, "Long term debt due within one year" or account No. 220, "Long term debt", as applicable.

126. Allowance for Loss in Value of Investments

This account shall include the total of balances maintained by the company for the purpose of providing for reduction in values of securities carried in account No. 120, "Investments in affiliated companies", and account No. 121, "Other investments".

Corresponding charges for the reduction in value of investments carried in account No. 120, "Investments in affiliated companies" or account No. 121, "Other investments" shall be made in account No. 326, "Provision for loss in valuation of investments".

Charges to this account representing reductions in the allowance for valuation of investments carried in account No. 120, "Investments in affiliated companies" and account No. 121, "Other investments" shall be concurrently credited to account No. 318, "Investment valuation adjustment".

130. Cash

This account shall include commercial bank accounts available for general chequing purposes, as distinguished from bank accounts provided for special purposes, such as special deposits. It shall also include petty cash funds and funds received by the company recorded as cash receipts which are undeposited at the close of the accounting period.

131. Special Deposits

This account shall include the unexpected balances in funds deposited specifically for the payment of dividends, interest, and other current liabilities, also other deposits subject to current withdrawal for specific purposes only, including amounts deposited with airlines, utilities, unemployment insurance commissions, etc.

NOTE—Deposits available for general company purposes shall be included in account No. 130, "Cash".

132. Temporary Cash Investments

This account shall include the cost of securities and other collectible obligations acquired for the purpose of temporarily investing cash, such as time drafts receivable, demand loans, time loans, and other similar investments of a temporary character.

This account shall also include the ledger value of the company's investment in marketable securities issued by governments, non-affiliated companies and individuals which are capable of reasonably prompt liquidation and which represent temporary investment of surplus funds.

Amounts credited to this account in respect to a loss in value of investments shall be charged to account No. 314, "Income from investments".

NOTE—The value of the company's investment in securities and other collectible obligations which are not readily realizable shall be included in account No. 121, "Other investments".

140. Accounts Receivable—Trade

This account shall include amounts due and considered collectible for gas services.

NOTE—Accounts receivable from affiliated companies shall be included in account No. 142, "Accounts receivable—affiliated companies".

141. Accounts Receivable—Other

This account shall include amounts due on accounts considered collectible, such as those due from agents, corporations, firms and individuals, advances to agents, officers and employees as working funds, and other similar items.

This account shall also include the book value of all collectible obligations in the form of notes receivable, or other similar evidences (except interest coupons) of money receivable within a time not exceeding one year from date of issue. (See general instructions, section 15.)

NOTE A—Obligations held as investments which mature more than one year after date of issue shall be included in account No. 121, "Other investments".

NOTE B—Loans and notes receivable acquired for the purpose of temporarily investing cash shall be included in account No. 132, "Temporary cash investments".

142. Accounts Receivable—Affiliated Companies

This account shall include all amounts, including trade accounts, interest and other debts, due from affiliated companies, which are subject to settlement within one year from the date of the balance sheet. (See general instructions, section 18).

This account shall be maintained in such manner as to enable information on receivables from each affiliated company to be submitted under the following headings.

- (a) Secured obligations
- (b) Unsecured notes
- (c) Advances
- (d) Debit balances in open accounts
- (e) Interest accrued on any of above when such interest is subject to current settlement.

NOTE—Accounts with affiliated companies which are not subject to current settlement shall be included in account No. 120, "Investments in affiliated companies".

145. Allowance for Doubtful Accounts

This account shall include the total of the balances maintained for the purpose of providing for reductions in the value of current assets recorded in account No. 140, "Accounts receivable—trade", account No. 141, "Accounts receivable—other", or account No. 142, "Accounts receivable—affiliated companies". Corresponding charges shall be made to account No. 728, "Other general expense".

147. Interest and Dividends Receivable

This account shall include the amount of interest accrued to the date of the balance sheet on bonds owned, on loans made and the amount of dividends declared on stocks owned.

NOTE A—No dividends or other returns on securities issued or assumed by the company shall be included in this account.

NOTE B—Interest or dividends receivable from affiliated companies shall be included in account No. 142, "Account receivable—affiliated companies", or account No. 120, "Investments in affiliated companies", as may be applicable.

150-1. Material and Supplies—Gas

This account shall include the balances representing the ledger value of all unapplied material for current gas operations and maintenance, such as spare parts, fittings, shop material, articles in process of fabrication, line pipe and other supplies.

Material and supplies purchased shall be charged to this account at the actual cash cost of the material and supplies at point of free delivery plus any transportation charges, ad valorem taxes, etc. In determining the cost of material and supplies, suitable allowance shall be made for all discounts allowed on the purchase thereof.

Reusable material recovered from plant in connection with maintenance work or the replacement or the demolition work shall be charged to this account at its undepreciated cost at which it was initially charged to plant. Reusable materials consisting of relatively small items, the identity of which cannot be ascertained without undue accounting refinement, shall be included in this account at current prices new for such items.

Scrap material recovered in connection with maintenance work or the replacement or demolition of plant shall be charged to this account on the basis of its fair and reasonable value and credited to the appropriate account. When scrap material is sold at a higher or lower price than that at which it is included in this account, as far as practicable, a suitable adjustment shall be made in the appropriate accounts.

150-2. Material and Supplies—Gas

Where the excess of the proceeds over scrap value is material, such excess shall be credited to account No. 105, "Accumulated depreciation—gas plant".

NOTE—Material acquired and held in anticipation of construction shall be included in account No. 115, "Gas plant under construction", or account No. 179, "Other deferred debits", as applicable.

151. Material and Supplies—Other

This account shall include the balances representing the ledger value of all unapplied material for current non gas operations and maintenance, such as spare parts, fittings, shop material and supplies held primarily for other plant and merchandising, jobbing and contract work.

152. Gas Stored Underground—Available for Sale

This account shall include the cost of gas purchased or produced and stored in depleted or partially depleted gas or oil fields or other underground reservoirs, and help for use in meeting gas service requirements of customers.

Gas included in this account shall be valued at average cost. Transmission expenses for company facilities used in moving gas to the storage area and expenses of storage facilities shall not be included in the inventory of gas except as may be authorized by the National Energy Board.

That portion of the stored gas in excess of the amount properly includible in account No. 458, "Base pressure gas" shall be included in this account.

Amounts debited to this account for gas placed in storage shall be credited to account No. 628, "Gas delivered to underground storage (credit)". Amounts credited to this account for gas withdrawn from storage shall be debited to account No. 627, "Gas withdrawn from underground storage".

In the operation of storage projects the company shall maintain such procedures of verification as will disclose and result in prompt accounting recognition of significant losses.

153. Transmission Line Pack Gas

This account shall include the cost of gas owned by the company and used to maintain such line pressure as is required for the transmission of gas. Gas owned by the company in non owned pipe lines which forms part of line pack gas shall also be included in this account.

Gathering or transmission expense for use of company facilities in moving gas to the transmission area shall not be included in this account except as may be authorized by the National Energy Board.

NOTE—Gas owned by the company, other than that used to maintain line pressure shall be included in account No. 152, "Gas stored underground—available for sale", or account No. 458, "Base pressure gas", as applicable.

160. Prepayments

This account shall include amounts representing prepaid gas and prepayments of rents, taxes, insurance, interest and other similar items which will be charged to appropriate accounts by systematic write-off. This account shall be maintained in such a manner as to disclose the amount of each class of prepayment.

NOTE—Lump sum payments in respect of assessments by governmental authority to cover the cost of constructing public improvements shall be included in account No. 176, "Public improvements".

162. Other Current Assets

This account shall include current assets not provided for elsewhere.

170. Unamortized Debt Discount and Expense

This account shall include the total of the net debit balances in the discount, commission, expenses of issue and premium accounts for the several subclasses of long term debt. (See general instructions, section 14.)

NOTE—When a prospectus includes issues of both long term debt and capital stock, those items of expense which are distinguishable as to debt or stock shall be so charged. The remaining expenses shall be apportioned by using the ratio that the proceeds of long term debt or capital stock bear to the total proceeds. All expenses applicable to capital stock shall be included in account No. 177, "Capital stock expense".

171. Extraordinary Plant Losses

This account shall include extraordinary losses on plant abandoned or otherwise retired from service which are not provided for by accumulated depreciation or amortization and which could not reasonably have been foreseen and provided for. It shall also include extraordinary losses, such as unforeseen damages to plant, which could not reasonably have been anticipated and which are not covered by insurance and other provisions. (See general instruction, section 8 (A), "Extraordinary retirements").

The ledger value of the plant retired, less proceeds of salvage and/or insurance recovered shall be charged to the accumulated depreciation or amortization. If all, or a portion, of the loss is to be included in this account, the accumulated depreciation or amortization shall then be credited and this account charged with the amount properly chargeable hereto.

Amounts transferred from this account to retained earnings or income account shall have the prior approval of the National Energy Board.

172. Preliminary Survey and Investigation Charges

This account shall include all expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of projects for gas services. If as a result of the surveys, plant for gas services is acquired or constructed this account shall be credited and the appropriate gas plant account charged. If the work is abandoned, the charge shall be to account No. 329, "Other income deductions", or if the amount is material, to account No. 359, "Other charges" unless otherwise directed by the National Energy Board.

The records supporting the entries to this account shall be so kept that the company can furnish complete information as to the nature and purpose of the survey, plans or investigations, and the nature and respective amounts of the charges.

173. Other Work in Progress

This account shall include all cost incurred for other work in progress and not includible in account No. 115, "Gas plant under construction" or account No. 116, "Other plant under construction".

176. Public Improvements

This account shall include the deferred portion of assessments by governmental authority (by mutual agreement or otherwise) to cover the cost of constructing public improvements, when the company has elected to make payment by lump sum and not by instalments over a number of years.

Amounts which are no longer deferred shall be charged to account No. 305, "Municipal and other taxes".

Items of Public Improvements

(See general instructions, section 4.)

Cost of land outside the company's right of way to provide for relocation of streets or highways	Grading streets and highways
Curbing streets and highways	Guttering streets and highway
Damage to property of others when incidental to highway construction	Irrigation system
Drainage system	Levees
Engineering—when such costs apply to items chargeable to this account	Paving streets and highways
Flood protection	Sewer system
	Sidewalk
	Street lighting system
	Water works

NOTE A—Where the company pays the assessment by instalments over a number of years, such payments shall be charged to account No. 305, "Municipal and other taxes" in the year in which they are made.

NOTE B—The cost to the company of maintaining public improvements shall be included in expenses.

177. Capital Stock Expense

This account shall include items such as the cost of preparing and distributing prospectuses, cost of soliciting subscriptions for stock, cash fees and the actual cash value or commission paid to agents for their services, and the cost of preparing and issuing certificates of stock and other similar items.

When amortizing amounts included herein, this account shall be credited with amounts concurrently charged to account No. 210, "Contributed surplus", or to account No. 329, "Other income deductions" if the amount is immaterial and to account No. 359, "Other charges" if the amount is material.

NOTE—When a prospectus covers issues of both capital stock and long term debt, those items of expense which are distinguishable as to capital stock or debt shall be so charged. The remaining expenses shall be apportioned by using the ratio that the proceeds of capital stock or long term debt bear to the total proceeds. All expenses applicable to long term debt shall be included in account No. 170, "Unamortized debt discount and expense".

178. Organization Expense

This account shall include all fees paid to governments for the privilege of incorporation, other expenditures incident to organizing the corporation and putting it in readiness to do business and the related special counsel fees.

When amortizing amounts included herein, this account shall be credited with amounts concurrently charged to account No. 329, "Other income deductions" or, if the amount is material, to account No. 359, "Other charges".

NOTE A—All expenses incurred in the issue of capital stock shall be included in account No. 177 "Capital stock expense".

NOTE B—All discount and expenses incurred in the issue of long term debt shall be included in account No. 170, "Unamortized debt discount and expense".

NOTE C—Amounts paid to federal, provincial or other governmental authorities for operating franchises, consents, or certificates running in perpetuity or for a special term of more than one year, and their related expenses shall be included in account No. 401, "Franchises and consents".

179. Other Deferred Debits

This account shall include the unamortized portion of unusual or extraordinary expenses not included in other accounts which are in the process of amortization, the amount of debit balances in suspense accounts that cannot be cleared and disposed of until additional information is received, such as debit balances in clearing accounts not distributed at the end of the accounting period, freight and express claims, refundable gas tax, deferred debit items not otherwise provided for and similar items the proper disposition of which is uncertain.

200. Preferred Stock

This account shall include the total par value of stock designated as preferred stock and which has been issued to bona fide purchasers and has not been reacquired and cancelled.

Appropriations of retained earnings which have been transferred to par value stock shall also be included in this account. The amount of the consideration received from the sale of par value stock in excess of the amount credited to this account shall be included in account No. 210, "Contributed surplus". (See general instructions, section 14.)

When preferred stock is reduced or cancelled, this account shall be charged with the amount at which such stock is carried in the account.

The amounts included in this account shall be recorded so as to show the par value of shares of par value stock and amount paid in for shares of no par stock issued and outstanding.

When a subscriber has paid his subscription in full and is entitled to receive certificates representing the shares for which he has subscribed, the par value of the preferred stock shall be included herein.

This account shall be sub-divided according to differences in dividend rights, voting rights, or conditions under which the securities may be retired.

NOTE A—When preferred stock having par value is exchanged for common stock without par value, any sums resting in account No. 210, "Contributed surplus" with respect thereto shall be transferred to account No. 205, "Common stock".

NOTE B—An appropriate record shall be maintained showing the number of shares issued and outstanding.

NOTE C—In cases where preferred stock has been issued by the accounting company as collateral security for any of its long term debt, short term loans, or for other purposes, the total amount of preferred stock included in this account shall be shown on the balance sheet in the short column and the amount so pledged shall be deducted therefrom and the balance carried to the main column.

205. Common Stock

This account shall include the total par value of par value stock, and the total amount paid in for stock without par value less amounts allocated to account No. 210, "Contributed surplus" in compliance with The Companies Act section 12(10), for all shares of common stock or other form of proprietary interest in the company which have been issued to bona fide purchasers and have not been reacquired and cancelled.

Appropriations of retained earnings which have been transferred to par value or no par value stock account shall also be included in this account. The amount of consideration received from the sale of par value stock in excess of the amount credited to this account shall be included in account No. 210, "Contributed surplus". (See general instructions, section 14.)

When common stock is reduced or cancelled, this account shall be charged with the amount at which such stock is carried in this account. In the case of no par stock the amount to be charged to this account shall be the proportion, applicable to the redeemed shares immediately prior to the redemption, of the total book liability included herein of the outstanding shares of the particular class and series of stocks of which the redeemed shares are a part.

The amounts included in this account shall be recorded so as to show the par value of shares of par value stock and amount paid in for shares of no par stock issued and outstanding.

When a subscriber has paid his subscription in full and is entitled to receive certificates representing the shares for which he has subscribed, the par value of stock having par value or the agreed purchase price for stock without par value shall be included herein.

This account shall be sub-divided according to differences in dividend rights, voting rights, or conditions under which the securities may be retired.

NOTE A—When common stock having par value is exchanged for common stock without par value, any sums resting in account No. 210, "Contributed surplus" with respect thereto shall be transferred to this account.

NOTE B—An appropriate record shall be maintained showing the number of shares issued and outstanding.

NOTE C—In cases where common stock has been issued by the accounting company as collateral security for any of its long term debt, short terms loans, or for other purposes, the total amount of common stock included in this account shall be shown on the balance sheet in the short column and the amount so pledged shall be deducted therefrom and the balance carried to the main column.

210. Contributed Surplus

This account shall include surplus arising from transactions relating to the company's share capital.

Items of Contributed Surplus

(See general instructions, section 4.)

Premium received on the issue of par value shares

Proceeds of sale of donated shares

Credits resulting from redemption or conversion of shares at less than the amount recorded as share capital

Other contributions made by shareholders as such in excess of par or stated value of shares

Portion of proceeds of issue of no par value shares that have been allocated to surplus in compliance with The Companies Act section 12 (10)

NOTE—Capital contributions and grants from governments or government agencies, corporations, individuals and others for contributions in aid of construction or other purposes shall be included in account No. 211, "Contributions and grants".

211. Contributions and Grants

This account shall include contributions or grants in cash, services or property from governments or government agencies, corporations, individuals and others for contributions in aid of construction and other purposes.

This account shall be maintained so that the company can supply information as to the purpose of each contribution or grant, the conditions, if any, on which it was made, the amount of contribution or grant from governments or government agencies, corporations, individuals and others and the amount applicable to each account.

NOTE—Non capital contributions shall be credited to account No. 353, "Contributions on account of operations".

212. Retained Earnings

This account shall include the balance (debit or credit) of the amounts included in accounts No. 350 to No. 359 inclusive.

216. Excess of Appraised Value of Plant Over Depreciated Cost

This account shall be credited with the increase in value of plant as a result of an appraisal where such appraisal is associated with:

- (a) An actual purchase and sale, as in the acquisition of an affiliated company
- (b) A reorganization
- (c) A substantial issue of securities, especially equity shares.

If the appraisal is recorded in this account, subsequent charges against income for depreciation shall be based on the new plant values.

Once recorded the appraisal increase may remain indefinitely as a separate item in the shareholders' equity section of the balance sheet, or it may be transferred to retained earnings in amounts not exceeding the realization of appreciation through sale or annual depreciation provisions.

This account shall be used only upon receiving prior approval of the National Energy Board.

220. Long Term Debt

There shall be included in this account the total par value of unmatured debt, maturing more than one year from date of balance sheet, issued and not retired or cancelled, and the total par value of similar unmatured debt of other companies, the payment of which has been assumed by the company.

The amounts included in this account shall be divided so as to show the par value of (1) certificates or other evidences of long term debt (pledged and unpledged) held in the company's treasury, by its agents or trustees, or otherwise subject to its control, and (2) certificates or other evidences of long term debt issued and outstanding, being those not held by the company, its agents or trustees, or subject to its control.

The amounts included herein shall be further divided so as to show the amount of each class of long term debt, as follows:

(a) Mortgage Bonds—Bonds secured by lien on physical property and not includible in the other subdivisions of this account.

(b) Collateral Trust Bonds—Bonds and notes secured by a lien on securities or other negotiable paper; and stock trust certificates that are similar in character to collateral trust bonds.

(c) Income Bonds—Bonds which are a lien on the company's revenue alone, or bonds which, while being a lien on its property and franchises, can claim payments of interest only if interest is earned.

(d) Receipts Outstanding for Long Term Debt—Receipts for payments on account of long term debt. When certificates are issued for amounts so paid, the par value shall be included in the account covering the class of long term debt for which the certificates are issued.

(e) Convertible Bonds—Bonds which may be converted into capital stock of the company, according to the agreement under which they are issued.

(f) Miscellaneous Obligations—All long term obligations not provided for by the other subdivisions of this account, also notes, unsecured certificates of indebtedness, debenture bonds, plain bonds, real estate mortgages executed or assumed and other similar obligations maturing more than one year from date of balance sheet.

Each of the above classes shall also be divided into subclasses according to differences in mortgage or other lien or security therefor, rate of interest, interest dates, or date of maturity. Parts of any issue agreeing in other characteristics but maturing serially may be treated as of the same subclass.

NOTE A—Securities maturing one year or less from date of balance sheet shall be included in account No. 250, "Loans and notes payable" or account No. 258, "Long term debt due within one year", as applicable, except that where an issue of securities maturing serially over a period of years contains short term obligations, such obligations may be included as long term debt. Matured long term debt shall be included in account No. 258, "Long term debt due within one year" if provision has been made for current settlement.

NOTE B—Long term debt due to affiliated companies shall be included in account No. 248, "Advances from affiliated companies".

NOTE C—The total of the amounts included in this account which are payable within one year from the date of the balance sheet shall be shown separately in the Annual Report to the National Energy Board.

NOTE D—Long term debt securities are considered to be issued when they have been sold to a bona fide purchaser for valuable consideration, and such purchaser holds them free from all control by the company. All long term debt securities issued and not reacquired held by or for the company are considered to be outstanding.

NOTE E—In cases where long term debt has been issued as collateral security for any purpose the total amount of long term debt included in this account shall be shown on the balance sheet in the short column and the amount so pledged shall be deducted therefrom and the balance carried to the main column.

NOTE F—The amount of long term debt owned shall, for purposes of balance sheet presentation, be deducted from the amount of outstanding long term debt included in in this account.

248. Advances from Affiliated Companies

This account shall include:

- (a) the par value of bonds, debentures and long term notes payable issued to affiliated companies.
- (b) the par value of non-negotiable notes issued to affiliated companies.
- (c) the par value of matured long term debt of the company held by affiliated companies where there is no agreement for an extension as to time of payment but collection of the principal is not enforced.
- (d) credit balances in open accounts with such companies other than credit balances in current accounts.
- (e) interest accrued on any of the above when such interest is not subject to current settlement.

Separate sub-accounts shall be kept for each of the above items.

See general instructions, section 18.

NOTE A—Accounts with affiliated companies which are subject to current settlement shall be classed as current assets or current liabilities and included in account No. 142, "Accounts receivable—affiliated companies" or account No. 252, "Accounts payable—affiliated companies" as applicable.

NOTE B—No item shall be included in this account which is not known to be the property of an affiliated company.

249. Other Long Term Debt

This account shall include amounts payable more than one year from the date of the balance sheet and which have not been provided for elsewhere.

250. Loans and Notes Payable

This account shall include the balances representing obligations outstanding in the form of loans and notes payable or other similar evidences of indebtedness payable on demand or within a time not exceeding one year from date of balance sheet.

This account shall be kept in such form so as to show separately the amounts of indebtedness secured by collateral.

NOTE A—Obligations payable at a time exceeding one year from date of balance sheet shall be included in account No. 220, "Long term debt", account No. 248, "Advances from affiliated companies", or account No. 249, "Other long term debt", as applicable.

NOTE B—Loans and notes payable to affiliated companies shall be included in account No. 252, "Accounts payable—affiliated companies".

251. Accounts Payable and Accrued

This account shall include the amount of vouchers and payrolls or accounts unpaid on the date of the balance sheet, outstanding drafts drawn by agents, unpaid rents under leases or agreements, taxes collected from employees and others for the account of taxing agencies, and other items of the nature of demand liabilities not included in account Nos. 250, "Loans and notes payable", 252, "Accounts payable—affiliated companies", 257, "Interest payable and accrued" and 259, "Other current liabilities".

This account shall also include estimates of unbilled items payable by the company at the date of the balance sheet, including those which are chargeable to revenue, expense or income accounts in accordance with general instructions, sections 15 and 16.

252. Accounts Payable—Affiliated Companies

This account shall include all amounts owed to affiliated companies subject to settlement within one year from the date of the balance sheet.

This account shall be maintained in such manner as to enable information on the investment by each affiliated company to be submitted under the following headings:

- (a) Notes
- (b) Advances
- (c) Credit balances in open accounts
- (d) Interest accrued on any of the above when such interest is subject to current settlement.

NOTE—Accounts with affiliated companies which are not subject to current settlement shall be included in account No. 248, "Advances from affiliated companies".

253. Dividends Payable

This account shall include dividends declared on preferred or common stock but unpaid or unclaimed at the date of the balance sheet.

NOTE— This account shall not include the amount of dividends paid over to the company's transfer agent or dividend disbursing agent and remaining in hands of the agent as unpaid or unclaimed.

254. Customers' Security Deposits

This account shall include all amounts deposited with the company by customers as security for payment of debts.

256. Taxes Accrued

This account shall be credited with the accruals of all taxes which are payable to federal, provincial or other governmental authorities. Such accruals may be based upon estimates, provided such estimates shall be adjusted so as to reflect in this account at all times the accounting company's estimate of its unpaid liability for each of the several classes of tax which have not been finally settled.

All tax payments for which accruals have been made shall be charged to this account.

The records supporting the entries in this account shall be kept to show separately by classes of taxes the amount of the tax accruals for the current year and adjustments of accruals for prior years.

NOTE—The difference between taxes on income as computed on the basis of recorded depreciation and tax based on capital cost allowance shall not be included in this account but in account No. 276, "Accumulated tax reductions applicable to future years". Where a company does not follow this method of accounting for tax reductions applicable to future years it shall show the amount of such tax reductions in the Annual Report to the National Energy Board.

257. Interest Payable and Accrued

This account shall be credited with interest due or accrued to the close of the accounting period on notes payable, bank overdrafts and loans, long term debt and other obligations for which provisions has been made for current settlement. Interest on long term debt shall be charged to account No. 320, "Interest on long term debt" and all other interest expense shall be charged to account No. 323, "Other interest".

NOTE—Interest payable to affiliated companies shall be included in account No. 252, "Accounts payable—affiliated companies" or account No. 248, "Advances from affiliated companies", as applicable.

258. Long Term Debt Due Within One Year

This account shall include the principal amount and premium of un-presented bonds drawn for redemption through the operation of sinking and redemption fund agreements, also the principal amount of un-presented long term debt obligations which have matured and for which provision has been made for current settlement.

This account may also include, at the option of the company, the principal amount of long term debt obligations maturing within one year.

NOTE A—This account shall not include the amount of un-presented bonds or interest coupons paid over to the bonholder's trustee or agent and remaining in the hands of the trustee or agent as unpaid or unclaimed.

NOTE B—The amount of long term debt owned by the company shall, for purposes of balance sheet presentation, be deducted from the amount of outstanding long term debt maturing within one year and included in this account. If long term debt owned by the company is not required for current redemption, it shall be shown as a reduction of account No. 220, "Long term debt".

NOTE C—Obligations payable at a time exceeding one year from date of balance sheet shall be included in account No. 220, "Long term debt", account No. 248, "Advances from affiliated companies", or account No. 249, "Other long term debt", as applicable.

259. Other Current Liabilities

This account shall include all current liabilities not provided for elsewhere.

270. Unamortized Debt Premium

This account shall include the total of the net credit balances in the discount, commission, expenses of issue and premium accounts for the several subclasses of long term debt. (See general instructions, section 14.)

275. Gas Cost and Maintenance Equalization

This account shall include the undistributed charge or credit as a result of the company following the method of equalizing its gas cost through the year because of seasonal variations in unit gas prices. It shall also include ledger balances representing reserves created by charges to operations for maintenance expenses in accordance with section 9 of the general instructions. The debit or credit balances in this account shall be closed at the end of each calendar year to the accounts through which they were created.

276. Accumulated Tax Reductions Applicable to Future Years

This account shall include the amounts of differences between the provisions made for taxes on income, as computed on the basis of recorded depreciation, and the estimate of income taxes payable as computed on the basis of capital cost allowance claimed for income tax purposes.

NOTE—Where a company does not follow this method of accounting for tax reductions applicable to future years, it shall show the amount of such tax reductions in the Annual Report to the National Energy Board.

279. Other Deferred Credits

This account shall include advance billings, working fund advances from other companies, employee deposits and other deferred credit items not includable elsewhere.

This account shall also include the amount of credit balances in suspense accounts that cannot be cleared and disposed of until additional information is received, such as accident repairs not completed, credit balances in clearing accounts deferred credit items not otherwise provided for, the proper disposition of which is uncertain.

290. Insurance Reserves

This account shall include the credit balance in the accounts to which are credited insurance appropriations concurrently charged to expenses to cover self-carried risks on vehicle, fire, fidelity, boiler, casualty, burglary and other insurance, and reinsurance recoveries from insurance companies (See general instructions, section 11 and 12.)

To the extent that losses and damages sustained are covered by this account, an amount equal thereto shall be charged to this account and credited to the accounts to which the losses and damages were charged.

291. Welfare and Pension Reserves

This account shall include the credit balances representing the liability for amounts provided by charges to expenses or by specific appropriations of income or retained earnings including amounts contributed by employees, irrespective of whether carried in special funds or in general funds of the company for pensions, accident and death benefits, savings, relief, hospital or other provident purposes. (See general instructions, section 12.)

This account shall also include the credit balances representing the liability of the company for amounts provided by charges to expenses in respect of deferred compensation under an employee's profit sharing scheme.

Separate sub-accounts shall be kept for each kind of appropriation created. The payments disbursed, for which appropriation has been provided, shall be charged to this account, and the balance of such disbursements to account No. 725, "Employee benefits".

293. Other Reserves

This account shall include all reserves or allowances not includible in account Nos. 145, "Allowance for doubtful accounts", 290, "Insurance reserves", 291, "Welfare and pension reserves" or 126, "Allowance for loss in value of investments".

This account shall be maintained in such manner as to show separately the amount of each reserve or allowance.

TEXT PERTAINING TO INCOME ACCOUNTS

The balance of all primary income accounts shall be closed into retained earnings account No. 350 "Balance transferred from income" at the end of each calendar year.

INCOME ACCOUNTS

300. Operating Revenue

This account shall include the total revenues derived from operations as shown in the accounts provided in the classification of operating revenue accounts.

301. Operating Expense

This account shall include the total expenses of operations as shown in the accounts provided in the classification of operating accounts.

302. Maintenance Expense

This account shall include the total expenses of maintenance as shown in the accounts provided in the classification of maintenance accounts.

303. Depreciation

This account shall include charges covering the current loss from depreciation of plant.

The company's records shall be kept in such manner that the charges for depreciation are shown separately for each depreciable plant account or group of plant accounts which performs similar functions. (See general instructions, section 10, "Depreciation".)

NOTE—Where a company allocates depreciation to a clearing account such allocated amounts shall be reported separately in the Annual Report to the National Energy Board.

304. Amortization

This account shall include charges authorized by the National Energy Board relating to probable abandonment of all or part of gas plant, or severe permanent curtailment in operations due to exhaustion of or significant reduction in particular sources of traffic.

The company's records shall be kept in such manner that the charges for amortization are shown separately for each plant account subject to amortization. (See general instructions, section 10, "Depreciation".)

305. Municipal and Other Taxes

This account shall include taxes levied by municipalities relating to plant, operations and privileges, whether based upon the valuation of the plant, quantity of gas transmitted, length of pipe line operated or owned, or other bases and other taxes not provided for elsewhere.

NOTE A—Where the company elects to make a lump sum payment in respect of assessments by municipal authority, the deferred portion of such payments shall be charged to account No. 176, "Public improvements".

NOTE B—Taxes on new lines under construction or on plant acquired for the extension of existing lines or for addition or replacement purposes before the facilities are opened for commercial operation or the plant acquired becomes available for service shall be charged to the appropriate gas plant accounts.

NOTE C—Taxes on other than gas plant in service, operations and privileges shall be charged to account No. 313, "Non-operating expense".

NOTE D—Ad valorem taxes on material shall be included as part of the cost of the material.

306. Income Taxes

This account shall include provision for federal, provincial or other government income taxes based on the company's operations for the fiscal period.

This account shall be sub-divided as follows:

- (a) Current income taxes.
- (b) Deferred income taxes.

NOTE A—The estimated amount of income taxes (debit or credit) assignable to items recorded in the retained earnings accounts shall be included in account No. 358, "Income tax applicable to retained earnings adjustments".

307. Revenue from Gas Plant Leased to Others

This account shall include revenues from gas plant constituting a distinct operating unit or system leased by the company to others, the investment in which is included in account No. 101, "Gas plant leased to others".

NOTE—Depreciation, taxes, operating, maintenance and all other expenses borne by the lessor shall be recorded in the regular accounts maintained by the lessor for such costs.

308. Rent for Gas Plant Leased from Others

This account shall include rent for gas plant constituting a distinct operating unit or system leased by the company from others.

310. Revenue from Other Plant

This account shall include the total revenues derived from operation of plant, the cost of which is included in account No. 110, "Other plant".

List of Items to be Credited

(See general instructions, section 4.)

Revenue from commercial power plants.

Revenue from lands and buildings not used in gas operations

Revenue from lands and plant acquired and held in anticipation of an indefinite future use.

Revenue from mineral and timber lands

311. Expense of Other Plant

This account shall include maintenance and other expenses incurred from operation of plant, the cost of which is included in account No. 110, "Other plant".

List of Items to be Credited

(See general instructions, section 4.)

Expense of Commercial power plants
Expense of land and buildings not used in gas operations
Expense of land and plant acquired in anticipation of an indefinite future use
Expense of mineral and timber lands

312. Non-Operating Revenue

This account shall include revenues from commercial activities carried on within the corporate structure of the company and not includible in account No. 300, "Operating revenue".

313. Non-Operating Expense

This account shall include expenses from commercial activities carried on within the corporate structure of the company and not includible in account No. 301, "Operating expense" or account No. 302, "Maintenance expense".

314. Income from Investments

This account shall include income on government and other marketable securities, where such income is the property of the company. It shall also include interest on notes and other evidences of indebtedness, interest on bank balances, open accounts and other analogous items, including discount on short term notes held by the company.

At the option of the company, there may be included in this account an applicable portion of discount or premium on investments.

This account shall also include profits and losses on sales, or amounts required to provide allowances for the decrease in market value of temporary cash investments when such amounts are not material.

NOTE A—Discounts or premiums on securities of the company reacquired shall be charged or credited to account No. 319, "Other income", or account No. 329, "Other income deductions", as applicable.

NOTE B—Interest on securities other than those of the company and on other assets held in sinking or other funds shall be included in account No. 316, "Income from sinking and other funds".

NOTE C—Profits and losses on sales of temporary cash investments, if material, shall be included in account No. 352, "Profit from sale of investments" or account No. 356, "Loss from sale of investments", as applicable.

NOTE D—Income from investments in affiliated companies shall be included in account No. 315, "Income from affiliated companies".

315. Income from Affiliated Companies

This account shall include income from stocks, securities and other types of indebtedness issued or assumed by affiliated companies, the income from which is the property of the company, whether such stocks, securities and other types of indebtedness are owned by the company and held in its treasury or deposited in trust, or are otherwise controlled. (See general instructions, section 18.)

This account shall be maintained in such manner as to enable information to be submitted under the following classes of income:

- (a) Dividends
- (b) Interest
- (c) Other income

Income from affiliated companies shall not be credited to this account until such time as it is recorded on the books of the affiliated company.

NOTE—Income from investment in non-affiliated companies shall be included in account No. 314, "Income from investments".

316. Income from Sinking and Other Funds

This account shall include the income accrued on cash, securities, and other assets (not including securities issued or assumed by the company) held in account No. 122, "Sinking funds" and account No. 123, "Miscellaneous special funds". (See general instructions, section 12.)

This account shall also include profits realized and losses sustained in the sale of securities held in account No. 122, "Sinking funds" and account No. 123, "Miscellaneous special funds". (See general instructions, section 12.)

At the option of the company there may be included each year in this account the portion, applicable to the fiscal period, of the amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on securities in sinking or miscellaneous special funds. Amounts thus credited or charged shall be concurrently charged or credited to the account in which the cost of the securities is carried.

317. Gain on Foreign Exchange

This account shall include the net amount representing realized gains less losses on foreign exchange not otherwise allocated.

318. Investment Valuation Adjustment

This account shall be credited with amounts concurrently charged to account No. 126, "Allowance for loss in value of investments" in respect of reductions in the allowance for valuation of investments carried in account No. 120, "Investments in affiliated companies" and account No. 121, "Other investments" no longer required.

This account shall also include amounts receivable under the terms of agreements or contracts whereby the surplus resulting from the operation by others of properties of other companies, having a separate corporate existence and whose operations are considered to be an integral part of the gas pipe line system of the company, is to be paid, in whole or in part, to the company.

In determining the amount receivable consideration shall be given not only to the revenues and expenses, but also to other items of income or deductions which affect that amount.

NOTE A—Dividends or other returns upon securities issued by such separately operated companies, and held or controlled by the company, shall be included in account No. 314, "Income from investments", account No. 315, "Income from affiliated companies" or account No. 316, "Income from sinking and other funds", as may be appropriate.

NOTE B—The amount to be entered in this account is not the net balance between this account and account No. 326, "Provision for loss in valuation of investments".

319. Other Income

This account shall include all other income items not provided for elsewhere.

320. Interest on Long Term Debt

This account shall include the current accruals of interest on all classes of long term debt, the principal of which is included in account No. 220, "Long term debt" or account No. 249, "Other long term debt". This account shall be kept in such form that the interest on each class of long term debt may be shown separately in the Annual Report to the National Energy Board.

NOTE A—This account shall not include charges for interest on long term debt obligations issued or assumed by the company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or other funds. (See also account No. 316, "Income from sinking and other funds".)

NOTE B—This account shall be maintained so as to show separately (a) fixed interest which will be paid, or for which provision for payment will be made, when the interest matures; and (b) contingent interest determined to be payable.

321. Amortization of Debt Discount, Premium and Expense

This account shall be charged and credited during each fiscal period with the proportion of the discount, premium and expense on long term debt obligations applicable to that period. This proportion shall be determined according to a rule the uniform application of which, through the interval between the date of sale and the date of maturity, will extinguish the discount, premium and expense on such long term debt. The charge or credit to this account for any period shall be the proportion of the balance remaining unamortized applicable to that period so long as any portion of the discount, premium and expense remains unextinguished, except that if the total discount and expense less premium (or vice versa) applicable to any particular issue of securities does not exceed \$25,000 the entire amount may be charged to this account at time of issue. (See general instructions, section 14.)

322. Interest on Amounts Due Affiliated Companies

This account shall include the current accruals of interest on all classes of debt, the principal of which is included in account No. 248, "Advances from affiliated companies" or account No. 252, "Accounts payable—affiliated companies".

323. Other Interest

This account shall include all interest except that chargeable to account No. 320, "Interest on long term debt", or account No. 322, "Interest on amounts due affiliated companies". Discount, premium and expense on short term notes issued by the company maturing one year or less from date of balance sheet shall be included in this account.

List of Items of Indebtedness,
Interest on which is Chargeable to this Account

(See general instructions, section 4.)

Advances other than those from affiliated companies
Bond coupons, matured and unpaid
Claims and judgments

Long term debt matured, with respect to which a definite agreement to extension has not been made
Open accounts, other than those classable in account No. 248,
"Advance from affiliated companies", or account No. 252,
"Accounts payable—affiliated companies"
Short term notes payable

324. Interest During Construction (Credit)

This account shall be concurrently credited with amounts charged to account No. 497, "Interest during construction".

325. Loss on Foreign Exchange

This account shall include the net amount representing realized losses less gains on foreign exchange not otherwise allocated.

326. Provision for Loss in Valuation of Investments

This account shall be charged with amounts concurrently credited to account No. 126, "Allowance for loss in value of investments" in respect of a decrease in value of investments carried in account No. 120, "Investments in affiliated companies" and account No. 121, "Other investments".

This account shall also include all the charges under the terms of agreements or contracts whereby the deficit resulting from the operation by others of properties of other companies, having a separate corporate existence and whose operations are considered to be an integral part of the gas pipe line system of the company, is to be paid, in whole or in part, by the company.

In determining the amount payable, consideration shall be given not only to the revenues and expenses, but also to other items of income or deductions which affect that amount.

NOTE A—Dividends or other returns upon securities issued by separately operated companies and held or controlled by the company shall not be included in this account to offset a deficit payable, but shall be included in account No. 314, "Income from investments", account No. 315, "Income from affiliated companies", or account No. 316, "Income from sinking and other funds", as may be appropriate.

NOTE B—The amount to be entered in this account is not the net balance between this account and account No. 318, "Investment valuation adjustment".

329. Other Income Deductions

This account shall include charges not provided for elsewhere, such as overcharge claims, court awards and other income deductions.

330. Appropriations of Net Income

This account shall include amounts appropriated from income for purposes not provided for elsewhere.

TEXT PERTAINING TO RETAINED EARNINGS ACCOUNTS

The balance of all primary retained earnings accounts shall be closed into balance sheet account No. 212, "Retained earnings" at the end of each calendar year.

RETAINED EARNINGS ACCOUNTS

350. Balance Transferred from Income

This account shall show the debit or credit balance brought forward from the income accounts for the calendar year.

351. Profit from Sale of Plant

This account shall include the profit realized from the sale of plant or plant under construction when the profit, if credited to accumulated depreciation, would unduly inflate the accumulated depreciation. (See general instructions, section 8.)

This account shall be maintained in such a manner as to show separately in the Annual Report to the National Energy Board, the profit relating to each transaction recorded herein.

NOTE—Profit on sale of plant, if immaterial, shall be credited to account No. 319, "Other income".

352. Profit from Sale of Investments

This account shall include the profit realized from the sale of investment in securities carried in account No. 120, "Investment in affiliated companies" and account No. 121, "Other investments".

Amounts shall be credited in this account only when material in relation to net income for the year and when immaterial they shall be credited to account No. 319, "Other income".

353. Contributions on Account of Operations

This account shall include amounts received or receivable from others representing the whole or a part of the net deficit of the company. It shall also include contributions on account of operations which, for management purposes, are entrusted to the company when, under the terms of agreements or contracts, no obligation for subsequent reimbursement is incurred.

NOTE—Capital contributions and grants from governments and government agencies, corporations, individuals and others shall be included in account No. 211, "Contributions and grants".

354. Other Credits

This account shall include amounts, not provided for elsewhere, transferred from other accounts to retained earnings, and amounts representing increases of resources not properly assignable to the income accounts.

When the amounts are immaterial in relation to net income for the year such amounts may be recorded in the income accounts rather than in this account.

355. Loss from Sale or Retirement of Plant

This account shall include the loss incurred from sale, destruction or retirement of plant or plant under construction, when the loss, if charged to

accumulated depreciation, or amortization would unduly deplete the accumulated depreciation or amortization. It shall also be charged with amounts credited to account No. 171, "Extraordinary plant losses" as previous unprovided losses written off when such have the approval of the National Energy Board. (See general instructions, section 8.)

This account shall be maintained in such a manner as to show separately in the Annual Report to the National Energy Board, the loss relating to each transaction recorded herein.

NOTE A—Loss on sale of plant, if immaterial, shall be charged to account No. 329, "Other income deductions".

NOTE B—Extraordinary losses on plant abandoned or otherwise retired from service which are not provided for by accumulated depreciation or amortization may be included in account No. 171, "Extraordinary plant losses".

356. Loss from Sale of Investments

This account shall include the loss incurred from sale or write off of investments carried in account No. 120, "Investments in affiliated companies" and account No. 121, "Other investments".

Amounts shall be charged to this account only when material in relation to net income for the year, and when immaterial they shall be charged to account No. 329, "Other income deductions".

357. Dividend Appropriations

This account shall include amounts declared payable from retained earnings as dividends on outstanding preferred or common stock issued or assumed by the company.

This account shall be subdivided so as to show separately the dividends on the various subclasses of preferred or common stock.

NOTE A—This account shall not include charges for dividends on preferred or common stock issued or assumed by the company where pledged as collateral or held in its treasury in special deposits or in sinking or other miscellaneous special funds.

NOTE B—Dividends declared out of contributed surplus shall be charged to account No. 210, "Contributed surplus".

358. Income Tax Applicable to Retained Earnings Adjustments

This account shall include the estimated federal, provincial, or other government income taxes (debit or credit) assignable to the aggregate of items of both taxable income and deductions for taxable income which, for accounting purposes, are classified as unusual or extraordinary, and are recorded in retained earnings accounts.

359. Other Charges

This account shall include amounts, not provided for elsewhere, chargeable to or appropriated from retained earnings.

When the amounts are immaterial in relation to net income for the year such amounts may be recorded in the income accounts rather than in this account.

Where a company considers that special circumstances warrant charging an item to this account, and the Uniform Classification of Accounts provides for the item to be charged elsewhere, the company may apply to the National Energy Board for approval. If approval is granted, the company shall report the amount so charged as a note to the retained income schedule of its Annual Report to the Board.

TEXT PERTAINING TO PLANT ACCOUNTS

The primary accounts included in this group of accounts are designed to show the cost of plant owned by the company and devoted to pipe line operations. The total of these accounts is included in balance sheet account Nos. 100, "Gas plant in service", 101, "Gas plant leased to others", and 102, "Gas plant held for future use".

PLANT ACCOUNTS

INTANGIBLE PLANT

401. Franchises and Consents

This account shall include amounts paid to federal, provincial or other governmental authorities in consideration for franchises, consents or certificates running in perpetuity or for a specified term of more than one year. It shall also include expenses incident to procuring such franchises, consents or certificates of permission and approval.

If a franchise, consent or certificate is acquired by assignment, the charge to this account in respect thereof shall be the amount paid to the assignor.

When any franchise has expired, the ledger value thereof shall be credited to this account. If the franchise was depreciable (see general instructions, section 10) the amount removed from this account shall be charged to account No. 105, "Accumulated depreciation—gas plant", or account No. 106, "Accumulated amortization—gas plant", as applicable. If the franchise was not depreciable, the amount removed from this account if immaterial, shall be charged to account No. 329, "Other income deductions" or, if material, to account No. 355, "Loss from sale or retirement of plant".

NOTE A—Assessments in respect to franchises shall not be included herein but in the appropriate operating expense account.

NOTE B—Amounts paid to governments for the privilege of incorporating and related expenses shall not be included in this account but shall be included in account No. 178, "Organization expense".

402. Other Intangible Plant

This account shall include the cost of patent rights, licenses, privileges and other intangible plant necessary or valuable in the operation of the company's gas pipe line service and not specifically chargeable to any other account.

When any item included in this account is retired or expires, the ledger value shall be credited to this account. If the item was depreciable (see general instructions, section 10) the amount so removed from this account shall be charged to account No. 105, "Accumulated depreciation—gas plant", or account No. 106, "Accumulated amortization—gas plant", as applicable. If the item was not depreciable the amount received shall be charged to account No. 329 "Other income deductions" or, if material, to account No. 355, "Loss from sale or retirement of plant".

GATHERING PLANT

410. Land

This account shall include the cost of land owned in fee simple and used for the construction and operation of gathering plant; the cost of land for storage, station, office, shop, and other grounds; the cost of land for ingress to or egress from such grounds; the cost of land for storage of material adjoining the right of way; the cost of removing from the land and locating elsewhere the property of others, and the cost of necessary land for relocation of the property, when such costs are assumed by the company.

When land, together with buildings thereon, is acquired, the cost shall be fairly apportioned between land and buildings and accounted for accordingly. If the plan of acquisition contemplates the removal of the buildings, the total cost of the land and buildings shall be accounted for as the cost of the land and the value of the salvage of the buildings when disposed of shall be deducted from the cost of the land as determined.

Proceeds from the sale of timber or of improvements purchased with land, less any cost of removal, shall be credited to this account.

Proceeds from the sale of minerals known to be in the land when purchased and considered in the purchase price thereof shall be credited to this account.

Components of Land

(See general instructions, section 4.)

Abstract	Judgments and decreed costs to clear or defend titles
Appraisal	Legal and notarial fee
Arbitrator in expropriation cases	Plats
Commission paid to others	Premium on expropriation bonds
Compensation and expenses of outside land agents when specifically assigned to acquisition of land, but not arbitrary apportionments for incidental services	Registering, filing and depositing title documents and plans
Cost of clearing, filling and levelling submerged or low land	Payment for release and discharge of encumbrances and charges against the land
Damage to property of others	Payment for release from restrictive provisions of original title documents and for other rights
Ditch for waterway when part of consideration	Removal and relocation of buildings and other structures not purchased
Engineering and survey expense in connection with purchase of land in fee simple	Rent of land when part of consideration for purchase
Expropriation expense, including court costs and special counsel fees	Taxes accrued and assumed at time of purchase

NOTE A—When the acquisition of land for gas pipe line service involves also the purchase of land not to be used for such purposes, the charges to this account shall be based upon the estimated cost at date of acquisition of only that portion which is used for gas pipe line service. The estimated value of that portion which is not so used shall be included in account No. 110, "Other plant". When such land is practically worthless, it shall be included in the account at a nominal value for record purposes.

NOTE B—Payments for options and of interest on options and on contracts to purchase land which it is proposed to use in contemplated construction projects shall be carried in account No. 179, "Other deferred debits", pending determination as to whether to proceed with the project. If it be decided to proceed with the project, the balance in account No. 179 shall be cleared therefrom and charged to account No. 115, "Gas plant under construction"; if not, the amount lost, including interest, if any, shall be charged to the income accounts or account No. 359, "Other charges", as applicable.

NOTE C—The net proceeds from the sale of minerals and timber in excess of the amount considered therefor in the purchase price of the land shall be credited to account No. 319, "Other income" or account No. 351, "Profit from sale of plant", as applicable.

NOTE D—When land has been purchased for a proposed pipe line operation project and the project has been indefinitely postponed before construction work is begun, the cost of the property shall be transferred to account No. 102, "Gas plant held for future use", sufficient details being included in the entry to permit the classification of the various items of cost in case the project is later pursued. The cost of the work which has been done shall be included in account No. 179, "Other deferred debits", until a decision has been reached as to execution or abandonment of the project. If it be determined to continue the work the cost of the land and the work which has been done shall be transferred to account No. 115, "Gas plant under construction". If the project be abandoned the cost of the work which has been done shall be charged to account No. 329, "Other income deductions", or account No. 355, "Loss from sale or retirement of plant", as applicable.

NOTE E—When land is acquired for which there is not a definite plan for its use in pipe line operations, the cost shall be charged to account No. 110, "Other plant".

NOTE F—In case land is purchased under a definite plan for its use in a construction project, its cost shall be included in account No. 115, "Gas plant under construction", until such time as the project involved is completed ready for service.

NOTE G—The cost of clearing, levelling or grading land, both before and after the construction of facilities thereon, but directly related to such facilities, shall be included in the accounts provided for the cost of the facilities constructed.

411. Land Rights

This account shall include the cost of land rights or easements used for the construction, operation and maintenance of gathering plant; the cost of land rights for storage of material adjoining the right of way; the cost of work room adjoining the right of way during construction.

Components of Land Rights

(See general instructions, section 4.)

Abstract expense	Outside land right agents compensation
Engineering and survey expenses in connection with expropriation	Plats
Expropriation expense	Premiums on expropriation bonds
Fees and costs of registering, filing and depositing title documents and plans	Payments for release and discharge of encumbrances and charges against the lands affected by the land rights
Judgments and decreed costs of clearing or defending titles	Payments for tenants' consents, options and easements
Legal and notarial fee	

NOTE A—The cost of land owned in fee simple, used as land rights for gathering plant is provided for in account No. 410, "Land".

NOTE B—Periodical rents paid for use of land rights shall be included in the accounts provided for the expense of operating the facilities used.

NOTE C—The cost of clearing, levelling, or grading land on which the company has acquired land rights, both before and after the construction of facilities thereon, but directly related to such facilities, shall be included in the accounts provided for the cost of the facilities constructed.

NOTE D—Proceeds from the sale of timber or of improvements purchased with land rights, less any cost of removal, shall be credited to this account.

412. Compressor Structures and Improvements

This account shall include the cost of structures and related facilities used in connection with the compressor function of gas gathering operations. It shall also include the cost of improvements to such structures and related facilities, and the cost of clearing, levelling or grading land, both before and after construction of structures when such improvements are directly related to the above function and structures.

Components of Compressor Structures

(See general instructions, section 4.)

Boiler	Plumbing system
Building	Protection box
Drainage system	Reservoir
Fencing	Road
Heating system	Sewage system
Hoisting equipment, attached to building	Sidewalk
Lighting system	Sprinkler system
Lightning arrestor	Vehicular bridge
Loading dock	Ventilating system
Outdoor steel walkways and steps	Water well
Parking bumper	Water line
Pipe rack	

NOTE—The cost of foundations special to engines, pumps, compressors and other similar apparatus shall be included in the cost of such apparatus.

413. Measuring and Regulating Structures and Improvements

This account shall include the cost of structures and related facilities used in connection with the measuring and regulating function of gas gathering operations. It shall also include the cost of improvements to such structures and related facilities, and the cost of clearing, levelling or grading land, both before and after construction of structures when such improvements are directly related to the above function and structures.

Components of Measuring and Regulating Structures

(See general instructions, section 4.)

Boiler	Loading dock
Building	Outdoor steel walkways and steps
Drainage system	Parking bumper
Fencing	Pipe rack
Heating system	Plumbing system
Hoisting equipment, attached to building	Protection box
Lighting system	Reservoir
Lightning arrestor	Road

Sewage system	Ventilating system
Sidewalk	Water line
Sprinkler system	Water well
Vehicular bridge	

NOTE—The cost of foundations special to engines, pumps, compressors and other similar apparatus shall be included in the cost of such apparatus.

414. Other Structures and Improvements

This account shall include the cost of structures and related facilities used in gas gathering operations not provided for elsewhere. It shall also include the cost of improvements to such structures and related facilities and the cost of clearing, levelling or grading land, both before and after construction of structures when such improvements are directly related to the above function and structures. The cost of improvements to non-owned property shall also be included in this account.

Components of Other Structures (See general instructions, section 4.)

Boiler	Plumbing system
Building	Protection box
Drainage system	Reservoir
Fencing	Road
Heating system	Sewage system
Hoisting equipment, attached to building	Sidewalk
Lighting system	Sprinkler system
Lightning arrestor	Vehicular bridge
Loading dock	Ventilating system
Outdoor steel walkways and steps	Water line
Parking bumper	Water well
Pipe rack	

NOTE—The cost of foundations special to engines, pumps, compressors and other similar apparatus shall be included in the cost of such apparatus.

415. Gathering Lines

This account shall include the costs of installed line pipe, laid in the construction of gas gathering lines, between the delivery meters of separate gas fields and the meters recording delivery to the transmission system.

Components of Gathering Lines (See general instructions, section 4.)

Anchor block	Pipe fitting
Blow down tank	Pipe line
Cathodic protection device	Protective coating
Clearing and grading	River crossing header
Damage to property of others	River weight
Drip assembly	Saddle
Equipment foundation	Structural and equipment support
Lightning arrestor	Surveying
Manifold fitting	Valve
Pipe casing	Vent

NOTE—The cost of reopening the trench and backfilling subsequent to original construction for the purpose of applying the original protection and casing, shall be charged to this account.

416. Compressor Equipment

This account shall include the cost of compressors and associated equipment used in connection with gas gathering operations.

Components of Compressor Equipment

(See general instructions, section 4.)

Air cleaner	Meter body
Air compressor	Meter station header
Atmospheric type jacket water cooler	Meter station recorder
Auxiliary engine generator	Meter tube
Base volume index	Oil reclaimer
Blower	Pipe fitting
Cathodic ground bed	Piping
Cathodic protection device	Portable meter station
Circuit breaker and switch	Protective coating and wrap
Compressor	Pulsation dampener
Conductor	Pump
Conduit	Rectifier
Controller	Regulator
Control panel	Relay cabinet
Dehydrator	Residence equipment
Drip	Scrubber
Duct	Shop equipment
Electrical fitting	Signal
Equipment foundation	Silencer
Filter	Station positive gas meter
Fire fighting equipment	Storage battery
Garage equipment	Stores equipment
Gauge	Support
Gauge board panel	Switchboard
Heat exchanger	Tank
Laboratory equipment	Telemetry equipment
Line casing	Transformer
Line pole	Trap
Line wire	Valve
Manhole	Valve box
Manometer	Water treating equipment

NOTE—The cost of foundations other than those special to particular engines, pumps, compressors, and other similar apparatus shall be included in the appropriate structures and improvements account.

417. Measuring and Regulating Equipment

This account shall include the cost of meters, gauges and other equipment used in measuring and regulating gas before entry into the transmission system.

Components of Measuring and Regulating Equipment

(See general instructions, section 4.)

Battery	Controller
Blower	Control panel
Cathodic protection device	Dehydrator
Chemical	Duct
Circuit breaker	Equipment foundation
Conductor	Fire fighting equipment
Conduit	Gauge

Governor
Header
Heat exchanger
Laboratory equipment
Manhole
Manometer
Meter recorder
Meter tube and fitting
Odorizing equipment
Panel
Piping
Positive meter
Pulsation dampener
Pump
Regulator

Remote control
Stores equipment
Support
Switch
Switchboard
Tank
Telemetering equipment
Thermometer
Transformer
Tubing
Valve
Valve box
Valve operator
Water treating equipment

NOTE—The cost of foundations other than those special to particular engines, pumps, compressors, and other similar apparatus shall be included in the appropriate structures and improvements account.

418. Purification Equipment

This account shall include the cost of condensers, dehydrators, pumps and other apparatus used for the removal of impurities from gas.

Components of Purification Equipment

(See general instructions, section 4.)

Condenser	Platform
Cooler	Pump
Dehydrator	Railing
Equipment foundation	Scrubber
Piping, from inlet valve of first piece of apparatus to outlet valve of final piece of apparatus (or, in building, from entrance to building to exit from building)	Stair
	Sulphur removal apparatus
	Washer cooler
	Water supply system

NOTE—The cost of foundations other than those special to particular engines, pumps, compressors and other similar apparatus shall be included in the appropriate structures and improvements account.

419. Other Equipment

This account shall include the cost of equipment used in gas gathering operations and not provided for elsewhere.

PRODUCTS EXTRACTION PLANT

420. Land

This account shall include the cost of land owned in fee simple and used for the construction and operation of products extraction plant; the cost of land for storage, station, office, shop, and other grounds; the cost of land for ingress to or egress from such grounds; the cost of land for storage of material adjoining the right of way; the cost of removing from the land and locating elsewhere the property of others, and the cost of necessary land for relocation of the property, when such costs are assumed by the company.

When land, together with buildings thereon, is acquired, the cost shall be fairly apportioned between land and buildings and accounted for accordingly. If the plan of acquisition contemplates the removal of the buildings, the total cost of the land and buildings shall be accounted for as the cost of the land and the value of the salvage of the buildings when disposed of shall be deducted from the cost of the land as determined.

Proceeds from the sale of timber or of improvements purchased with land, less any cost of removal, shall be credited to this account.

Proceeds from the sale of minerals known to be in the land when purchased and considered in the purchase price thereof shall be credited to this account.

Components of Land

(See general instructions, section 4.)

Abstract	Judgments and decreed costs to clear or defend titles
Appraisal	Legal and notarial fee
Arbitrator in expropriation cases	Plats
Commission paid to others	Premium on expropriation bonds
Compensation and expenses of outside land agents when specifically assigned to acquisition of land, but not arbitrary apportionments for incidental services	Registering, filing and depositing title documents and plans
Cost of clearing, filling and levelling sub-merged or low land	Payment for release and discharge of encumbrances and charges against the land
Damage to property of others	Payment for release from restrictive provisions of original title documents and for other rights
Ditch for waterway when part of consideration	Removal and relocation of buildings and other structures not purchased
Engineering and survey expense in connection with purchase of land in fee simple	Rent of land when part of consideration for purchase
Expropriation expense, including court costs and special counsel fees	Taxes accrued and assumed at time of purchase

NOTE A—When the acquisition of land for gas pipe line service involves also the purchase of land not to be used for such purposes, the charges to this account shall be based upon the estimated cost at date of acquisition of only that portion which is used for gas pipe line service. The estimated value of that portion which is not so used shall be included in account No. 110, "Other plant". When such land is practically worthless, it shall be included in the account at a nominal value for record purposes.

NOTE B—Payments for options and of interest on options and on contracts to purchase land which it is proposed to use in contemplated construction projects shall be carried in account No. 179, "Other deferred debits", pending determination as to whether to proceed with the project. If it be decided to proceed with the project, the balance in account No. 179 shall be cleared therefrom and charged to account No. 115, "Gas plant under construction"; if not, the amount lost, including interest, if any, shall be charged to the income accounts or account No. 359, "Other charges", as applicable.

NOTE C—The net proceeds from the sale of minerals and timber in excess of the amount considered therefor in the purchase price of the land shall be credited to account No. 319, "Other income", or account No. 351, "Profit from sale of plant", as applicable.

NOTE D—When land has been purchased for a proposed pipe line operation project and the project has been indefinitely postponed before construction work is begun, the cost of the property shall be transferred to account No. 102, "Gas plant held for future use", sufficient details being included in the entry to permit the classification of the various items of cost in case the project is later pursued. The

cost of the work which has been done shall be included in account No. 179, "Other deferred debits", until a decision has been reached as to execution or abandonment of the project. If it be determined to continue the work the cost of the land and the work which has been done shall be transferred to account No. 115, "Gas plant under construction". If the project be abandoned the cost of the work which has been done shall be charged to account No. 329, "Other income deductions", or account No. 355, "Loss from sale of retirement of plant", as applicable.

NOTE E—When land is acquired for which there is not a definite plan for its use in pipe line operations, the cost shall be charged to account No. 110, "Other plant".

NOTE F—In case land is purchased under a definite plan for its use in a construction project, its cost shall be included in account No. 115, "Gas plant under construction", until such time as the project involved is completed ready for service.

NOTE G—The cost of clearing, levelling or grading land, both before and after the construction of facilities thereon, but directly related to such facilities, shall be included in the accounts provided for the cost of the facilities constructed.

421. Land Rights

This account shall include the cost of land rights or easements used in the construction, operation and maintenance of products extraction plant for the processing of natural gas for removal of gasoline, butane, propane or other saleable products.

Components of Land Rights

(See general instructions, section 4.)

Abstract expense	Outside land right agents compensation
Engineering and survey expenses in connection with expropriation	Plats
Expropriation expense	Premiums on expropriation bonds
Fees and costs of registering, filing and depositing title documents and plans	Payments for release and discharge of encumbrances and charges against the lands affected by the land rights
Judgments and decreed costs of clearing or defending titles	Payments for tenants' consents, options and easements
Legal and notarial fee	

NOTE A—The cost of land owned in free simple, used as land rights for products extraction plant is provided for in account No. 420, "Land".

NOTE B—Periodical rents paid for use of land rights shall be included in the accounts provided for the expense of operating the facilities used.

NOTE C—The cost of clearing, levelling, or grading land on which the company has acquired land rights, both before and after the construction of facilities thereon, but directly related to such facilities, shall be included in the accounts provided for the cost of the facilities constructed.

NOTE D—Proceeds from the sale of timber or of improvements purchased with land rights, less any cost of removal, shall be credited to this account.

422. Structures and Improvements

This account shall include the cost of structures and related facilities used in connection with the processing of natural gas for removal of gasoline, butane, propane or other saleable products. It shall also include the cost of improvements to such structures and related facilities, and the cost of clearing, levelling or grading land, both before and after construction of structures when such improvements are directly related to the above functions and structures.

Components of Structures

(See general instructions, section 4.)

Boiler	Plumbing system
Building	Protection box
Drainage system	Reservoir
Fencing	Road
Heating system	Sewage system
Hoisting equipment, attached to building	Sidewalk
Lighting system	Sprinkler system
Lightning arrestor	Vehicular bridge
Loading dock	Ventilating system
Outdoor steel walkways and steps	Water well
Parking bumper	Water line
Pipe rack	

NOTE—The cost of foundations special to engines, pumps, compressors and other similar apparatus shall be included in the cost of such apparatus.

423. Extraction Equipment

This account shall include the cost of equipment used for the extraction from natural gas of gasoline, butane, propane or other saleable products and for the refining of such products.

Components of Extraction Equipment

(See general instructions, section 4.)

Absorber	Generator
Air compressor	Header
Boiler	Loading rack
Boiler setting	Lubricating oil system
Compressed air system	Power line
Control apparatus	Piping
Cooler	Pump
Cooling tower	Reabsorber
Crane	Stabilizing column
Dephlegmator	Still
Dyepot	Switchboard
Electrical system	Tank
Foundation	Transformer
Fractionating tower	Valve
Fuel regulating and measuring equipment	Water supply system
Gasoline blending equipment	Yard lighting system
Gauge	

NOTE—The cost of foundations other than those special to particular engines, pumps, compressors and other similar apparatus shall be included in the appropriate structures and improvements account.

424. Products Storage Equipment

This account shall include the cost installed of storage tanks and associated equipment used in the storing, prior to sale, of gasoline, butane, propane and other saleable products extracted from natural gas.

Components of Products Storage Equipment

(See general instructions, section 4.)

Foundation
Instrument
Regulator

Storage tank
Valve

NOTE—The cost of foundations other than those special to particular engines, pumps, compressors and other similar apparatus shall be included in the appropriate structures and improvements account.

425. Pipe Lines

This account shall include the cost of pipe lines used in connection with the processing of natural gas for the removal of gasoline, butane, propane or other saleable products, exclusive of piping appropriately includible in account No. 423, "Extraction equipment" and account No. 428 "Purification equipment".

Components of Pipe Lines

(See general instructions, section 4.)

Clearing and grading
Gas line off site relating solely to extraction operations
Gathering line drip

Loading line connecting with remote off site loading rack or storage facilities
Loading rack
Pump and driving unit
Surveying

426. Compressor Equipment

This account shall include the cost of compressors and associated equipment used in connection with the receipt, processing and return of gas processed for removal of gasoline, butane, propane, or other saleable products.

Components of Compressor Equipment

(See general instructions, section 4.)

Air cleaner
Air compressor
Atmospheric type jacket water cooler
Auxiliary engine generator
Base volume index
Blower
Cathodic ground bed
Cathodic protection device
Circuit breaker and switch
Compressor
Conductor
Conduit
Controller
Control panel
Dehydrator
Drip
Duct
Electrical fitting
Equipment foundation
Filter

Fire fighting equipment
Garage equipment
Gauge
Gauge board panel
Heat exchanger
Laboratory equipment
Line casing
Line pole
Line wire
Manhole
Manometer
Meter body
Meter station header
Meter station recorder
Meter tube
Oil reclaimer
Pipe fitting
Piping
Portable meter station
Protective coating and wrap

Pulsation dampener
 Pump
 Rectifier
 Regulator
 Relay cabinet
 Residence equipment
 Scrubber
 Shop equipment
 Signal
 Silencer
 Station positive gas meter

Storage battery
 Stores equipment
 Support
 Switchboard
 Tank
 Telemetering equipment
 Transformer
 Trap
 Valve
 Valve box
 Water treating equipment

NOTE—The cost of foundations other than those special to particular engines, pumps, compressors and other similar apparatus shall be included in the appropriate structure and improvement account.

427. Measuring and Regulating Equipment

This account shall include the cost of meters, gauges and other equipment used in measuring or regulating gas received and/or returned from processing for removal of gasoline, butane, propane, or other saleable products.

Components of Measuring and Regulating Equipment (See general instructions, section 4.)

Battery
 Blower
 Cathodic protection device
 Chemical
 Circuit breaker
 Conductor
 Conduit
 Controller
 Control panel
 Dehydrator
 Duct
 Equipment foundation
 Fire fighting equipment
 Gauge
 Governor
 Header
 Heat exchanger
 Laboratory equipment
 Manhole
 Manometer
 Meter recorder
 Meter tube and fitting

Odorizing equipment
 Panel
 Piping
 Positive meter
 Pulsation dampener
 Pump
 Regulator
 Remote control
 Stores equipment
 Support
 Switch
 Switchboard
 Tank
 Telemetering equipment
 Thermometer
 Transformer
 Tubing
 Valve
 Valve box
 Valve operator
 Water treating equipment

NOTE—The cost of foundations other than those special to particular engines, pumps, compressors, and other similar apparatus shall be included in the appropriate structures and improvements account.

428. Purification Equipment

This account shall include the cost of condensers, dehydrators, pumps and other apparatus used for the removal of impurities from gas.

Components of Purification Equipment

(See general instructions, section 4.)

Condenser	Platform
Cooler	Pump
Dehydrator	Railing
Equipment foundation	Scrubber
Piping, from inlet valve of first piece of apparatus to outlet valve of final piece of apparatus (or, in building, from entrance to building to exit from building)	Stair
	Sulphur removal apparatus
	Washer cooler
	Water supply system

NOTE—The cost of foundations other than those special to particular engines, pumps, compressors and other similar apparatus shall be included in the appropriate structures and improvements account.

429. Other Equipment

This account shall include the cost of equipment used in processing gas and refining gasoline, butane, propane, and other saleable products extracted from gas, not provided for elsewhere.

UNDERGROUND STORAGE PLANT

450. Land

This account shall include the cost of land owned in fee simple and used for the construction and operation of underground storage plant; the cost of land for storage, station, office, shop, and other grounds; the cost of land for ingress to or egress from such grounds; the cost of land for storage of material adjoining the right of way; the cost of removing from the land and locating elsewhere the property of others, and the cost of necessary land for relocation of the property, when such costs are assumed by the company.

When land, together with buildings thereon, is acquired, the cost shall be fairly apportioned between land and buildings and accounted for accordingly. If the plan of acquisition contemplates the removal of the buildings, the total cost of the land and buildings shall be accounted for as the cost of the land and the value of the salvage of the buildings when disposed of shall be deducted from the cost of the land as determined.

Proceeds from the sale of timber or of improvements purchased with land, less any cost of removal, shall be credited to this account.

Proceeds from the sale of minerals known to be in the land when purchased and considered in the purchase price thereof shall be credited to this account.

Components of Land

(See general instructions, section 4.)

Abstract	Damage to property of others
Appraisal	Ditch for waterway when part of consideration
Arbitrator in expropriation cases	Engineering and survey expense in connection with purchase of land in fee simple
Commission paid to others	Expropriation expense, including court costs and special counsel fees
Compensation and expenses of outside land agents when specifically assigned to acquisition of land, but not arbitrary apportionments for incidental services	Judgments and decreed costs to clear or defend titles
Cost of clearing, filling and levelling submerged or low land	

Legal and notarial fee	Payment for release from restrictive provisions of original title documents and for other rights
Plats	
Premium on expropriation bonds	Removal and relocation of buildings and other structures not purchased
Registering, filing and depositing title documents and plans	Rent of land when part of consideration for purchase
Payment for release and discharge of encumbrances and charges against the land	Taxes accrued and assumed at time of purchase

NOTE A—When the acquisition of land for gas pipe line service involves also the purchase of land not to be used for such purposes, the charges to this account shall be based upon the estimated cost at date of acquisition of only that portion which is used for gas pipe line service. The estimated value of that portion which is not used shall be included in account No. 110, "Other plant". When such land is practically worthless, it shall be included in the account at a nominal value for record purposes.

NOTE B—Payments for options and of interest on options and on contracts to purchase land which it is proposed to use in contemplated construction projects shall be carried in account No. 179, "Other deferred debits", pending determination as to whether to proceed with the project. If it be decided to proceed with the project, the balance in account No. 179 shall be cleared therefrom and charged to account No. 115, "Gas plant under construction"; if not, the amount lost, including interest, if any, shall be charged to the income accounts or account No. 359, "Other charges", as applicable.

NOTE C—The net proceeds from the sale of minerals and timber in excess of the amount considered therefor in the purchase price of the land shall be credited to account No. 319, "Other income" or account No. 351, "Profit from sale of plant", as applicable.

NOTE D—When land has been purchased for a proposed pipe line operation project and the project has been indefinitely postponed before construction work is begun, the cost of the property shall be transferred to account No. 102, "Gas plant held for future use", sufficient details being included in the entry to permit the classification of the various items of cost in case the project is later pursued. The cost of the work which has been done shall be included in account No. 179, "Other deferred debits", until a decision has been reached as to execution or abandonment of the project. If it be determined to continue the work the cost of the land and the work which has been done shall be transferred to account No. 115, "Gas plant under construction". If the project be abandoned the cost of the work which has been done shall be charged to account No. 329, "Other income deductions", or account No. 355, "Loss from sale or retirement of plant", as applicable.

NOTE E—When land is acquired for which there is not a definite plan for its use in pipe line operations, the cost shall be charged to account No. 110, "Other plant".

NOTE F—In case land is purchased under a definite plan for its use in a construction project, its cost shall be included in account No. 115, "Gas plant under construction", until such time as the project involved is completed ready for service.

NOTE G—The cost of clearing, levelling or grading land, both before and after the construction of facilities thereon, but directly related to such facilities, shall be included in the accounts provided for the cost of the facilities constructed.

451. Land Rights

This account shall include the cost of land rights or easements used in the construction, operation and maintenance of underground plant for the storage of gas in depleted or partially depleted gas or oil fields or other underground reservoirs.

Components of Land Rights

(See general instructions, section 4.)

Abstract expense	Legal and notarial fee
Engineering and survey expenses	Outside land right agents compensation
Engineering and survey expenses in connection with expropriation	Plats
Expropriation expense	Premiums on expropriation bonds
Fees and costs of registering, filing and depositing title documents and plans	Payments for release and discharge of encumbrances and charges against the lands affected by the land rights
Judgments and decreed costs of clearing or defending titles	Payments for tenants' consents, options and easements

NOTE A—The cost of land owned in fee simple, used as land rights for underground storage plant is provided for in account No. 450, "Land".

NOTE B—Periodical rents paid for use of land rights shall be included in the accounts provided for the expense of operating the facilities used.

NOTE C—The cost of clearing, levelling, or grading land on which the company has acquired land rights, both before and after the construction of facilities thereon, but directly related to such facilities, shall be included in the accounts provided for the cost of the facilities constructed.

NOTE D—Proceeds from the sale of timber or of improvements purchased with land rights, less any cost of removal, shall be credited to his account.

452. Structures and Improvements

This account shall include the cost of structures and related facilities used in connection with the underground storage of natural gas. It shall also include the cost of improvements to such structures and related facilities and the cost of clearing, levelling or grading land, both before and after construction of structures when such improvements are directly related to the above function and structures.

Components of Structures

(See general instructions, section 4.)

Boiler	Plumbing system
Building	Protection box
Drainage system	Reservoir
Fencing	Road
Heating system	Sewage system
Hoisting equipment, attached to building	Sidewalk
Lighting system	Sprinkler system
Lightning arrestor	Vehicular bridge
Loading dock	Ventilating system
Outdoor steel walkways and steps	Water line
Parking bumper	Water well
Pipe rack	

NOTE—The cost of foundations special to engines, pumps, compressors and other similar apparatus shall be included in the cost of such apparatus.

453. Wells

This account shall include the cost of wells used for injection and withdrawal of gas from underground storage projects.

Components of Wells

(See general instructions, section 4.)

Clearing well site	Power
Drilling	Rent of drilling equipment
Drive pipe	Water used in drilling, obtained either by driving wells, piping from stream, or by purchase
Fuel	
Hauling, erecting, dismantling, and re-moving boiler, portable engine, derrick, rig and other equipment, used in drilling	

454. Well Equipment

This account shall include the cost of equipment in or at wells used for injection and withdrawal of gas from underground storage.

Components of Well Equipment

(See general instructions, section 4.)

Bailing equipment	Drip
Battery equipment	Fence, when solely an enclosure for equipment
Boiler and drive permanently connected	Packing
Bradenhead	Separator
Casing	Tank, oil or water, etc.
Casinghead	Tubing
Dehydrator	Valve
Derrick	

455. Field Lines

This account shall include the cost of pipe lines used for conveying gas from point of connection with gathering or transmission lines to underground storage wells and from underground storage wells to the point where the gas enters the transmission system.

Components of Field Lines

(See general instructions, section 4.)

Anchor block	Pipe line
Blow down tank	Protective coating
Cathodic protection device	River crossing header
Clearing and grading	River weight
Concrete support	Saddle
Damage to property of others	Structural and equipment support
Drip assembly	Surveying
Equipment foundation	Valve
Lightning arrestor	Vent
Manifold fitting	
Pipe casing	

NOTE—The cost of re-opening the trench and backfilling subsequent to original construction, for the purpose of applying the original protection and casing, shall be charged to this account.

456. Compressor Equipment

This account shall include the cost of compressor equipment used to deliver gas to underground storage or to withdraw gas from underground storage for delivery to the transmission system.

Components of Compressor Equipment

(See general instructions, section 4.)

Air cleaner	Meter body
Air compressor	Meter station header
Atmospheric type jacket water cooler	Meter station recorder
Auxiliary engine generator	Meter tube
Base volume index	Oil reclaimer
Blower	Pipe fitting
Cathodic ground bed	Piping
Cathodic protection device	Portable meter station
Circuit breaker and switch	Protective coating and wrap
Compressor	Pulsation dampener
Conductor	Pump
Conduit	Rectifier
Controller	Regulator
Control panel	Relay cabinet
Dehydrator	Residence equipment
Drip	Scrubber
Duct	Shop equipment
Electrical fitting	Signal
Equipment foundation	Silencer
Filter	Station positive gas meter
Fire fighting equipment	Storage battery
Garage equipment	Stores equipment
Gauge	Support
Gauge board panel	Switchboard
Heat exchanger	Tank
Laboratory equipment	Telemetering equipment
Line casing	Transformer
Line pole	Trap
Line wire	Valve
Manhole	Valve box
Manometer	Water treating equipment

NOTE—The cost of foundations other than those special to particular engines, pumps, compressors and other similar apparatus shall be included in the appropriate structures and improvements account.

457. Measuring and Regulating Equipment

This account shall include the cost of meters, gauges and other equipment used in measuring or regulating deliveries of gas to underground storage and withdrawals of gas from underground storage.

Components of Measuring and Regulating Equipment

(See general instructions, section 4.)

Battery	Conductor
Blower	Conduit
Cathodic protection device	Controller
Chemical	Control panel
Circuit breaker	Dehydrator

Duct
Equipment foundation
Fire fighting equipment
Gauge
Governor
Header
Heat exchanger
Laboratory equipment
Manhole
Manometer
Meter recorder
Meter tube and fitting
Odorizing equipment
Panel
Piping
Positive meter
Pulsation dampener

Pump
Regulator
Remote control
Stores equipment
Support
Switch
Switchboard
Tank
Telemetering equipment
Thermometer
Transformer
Tubing
Valve
Valve box
Valve operator
Water treating equipment

NOTE—The cost of foundations other than those special to particular engines, pumps, compressors, and other similar apparatus shall be included in the appropriate structures and improvements account.

458. Base Pressure Gas

This account shall include the cost of gas in underground storage which is required as a base pressure for the operation of underground storage areas.

NOTE—Deliveries to or withdrawals from underground storage of gas held for use to satisfy gas service requirements of customers shall be charged or credited to account No. 152, "Gas stored underground—available for sale".

459. Other Equipment

This account shall include the cost of equipment used in connection with underground storage of gas and not provided for elsewhere.

TRANSMISSION PLANT

460. Land

This account shall include the cost of land owned in fee simple and used for the construction and operation of transmission plant; the cost of land for storage, station, office, shop, and other grounds; the cost of land for ingress to or egress from such grounds; the cost of land for storage of material adjoining the right of way; the cost of removing from the land and locating elsewhere the property of others, and the cost of necessary land for relocation of the property, when such costs are assumed by the company.

When land, together with buildings thereon, is acquired, the cost shall be fairly apportioned between land and buildings and accounted for accordingly. If the plan of acquisition contemplates the removal of the buildings, the total cost of the land and buildings shall be accounted for as the cost of the land and the value of the salvage of the buildings when disposed of shall be deducted from the cost of the land as determined.

Proceeds from the sale of timber or of improvements purchased with land, less any cost of removal, shall be credited to this account.

Proceeds from the sale of minerals known to be in the land when purchased and considered in the purchase price thereof shall be credited to this account.

Components of Land

(See general instructions, section 4.)

Abstract	Judgments and decreed costs to clear or defend titles
Appraisal	Legal and notarial fee
Arbitrator in expropriation cases	Plats
Commission paid to others	Premium on expropriation bonds
Compensation and expenses of outside land agents when specifically assigned to acquisition of land, but not arbitrary apportionments for incidental services	Registering, filing and depositing title documents and plans
Cost of clearing, filling and levelling submerged or low land	Payments for release and discharge of encumbrances and charges against the land
Damage to property of others	Payment for release from restrictive provisions of original title documents and for other rights
Ditch for waterway when part of consideration	Removal and relocation of buildings and other structures not purchased
Engineering and survey expense in connection with purchase of land in fee simple	Rent of land when part of consideration for purchase
Expropriation expense, including court costs and special counsel fees	Taxes accrued and assumed at time of purchase

NOTE A—When the acquisition of land for gas pipe line service involves also the purchase of land not to be used for such purposes, the charges to this account shall be based upon the estimated cost at date of acquisition of only that portion which is used for gas pipe line service. The estimated value of that portion which is not so used shall be included in account No. 110, "Other plant". When such land is practically worthless, it shall be included in the account at a nominal value for record purposes.

NOTE B—Payments for options and of interest on options and on contracts to purchase land which it is proposed to use in contemplated construction projects shall be carried in account No. 179, "Other deferred debits", pending determination as to whether to proceed with the project. If it be decided to proceed with the project, the balance in account No. 179 shall be cleared therefrom and charged to account No. 115, "Gas plant under construction"; if not, the amount lost, including interest, if any, shall be charged to the income accounts or account No. 359, "Other charges", as applicable.

NOTE C—The net proceeds from the sale of minerals and timber in excess of the amount considered therefor in the purchase price of the land shall be credited to account No. 319, "Other income" or account No. 351, "Profit from sale of plant", as applicable.

NOTE D—When land has been purchased for a proposed pipe line operation project and the project has been indefinitely postponed before construction work is begun, the cost of the property shall be transferred to account No. 102, "Gas plant held for future use", sufficient details being included in the entry to permit the classification of the various items of cost in case the project is later pursued. The cost of the work which has been done shall be included in account No. 179, "Other deferred debits", until a decision has been reached as to execution or abandonment of the project. If it be determined to continue the work the cost of the land and the work which has been done shall be transferred to account No. 115, "Gas plant under construction". If the project be abandoned the cost of the work which has been done shall be charged to account No. 329, "Other income from deductions" or account No. 355, "Loss from sale or retirement of plant" as applicable.

NOTE E—When land is acquired for which there is not a definite plan for its use in pipe line operations, the cost shall be charged to account No. 110, "Other plant".

NOTE F—In case land is purchased under a definite plan for its use in a construction project, its cost shall be included in account No. 115, "Gas plant under construction", until such time as the project involved is completed ready for service.

NOTE G—The cost of clearing, levelling or grading land, both before and after the construction of facilities thereon, but directly related to such facilities, shall be included in the accounts provided for the cost of the facilities constructed.

461. Land Rights

This account shall include the cost of land rights or easements used for the construction, operation and maintenance of transmission plant; the cost of land rights for storage of material adjoining the right of way; the cost of work room adjoining the right of way during construction.

Components of Land Rights

(See general instructions, section 4.)

Abstract expense	Outside land right agents compensation
Engineering and survey expenses in connection with expropriation	Plats
Expropriation expense	Premiums on expropriation bonds
Fees and costs of registering, filing and depositing title documents and plans	Payments for release and discharge of encumbrances and charges against the lands affected by the land rights
Judgments and decreed costs of clearing or defending titles	Payments for tenants' consents, options and easements
Legal and notarial fee	

NOTE A—The cost of land owned in fee simple, used as land rights for transmission plant is provided for in account No. 460, "Land".

NOTE B—Periodical rents paid for use of land rights shall be included in the accounts provided for the expense of operating the facilities used.

NOTE C—The cost of clearing, levelling, or grading land on which the company has acquired land rights, both before and after the construction of facilities thereon, but directly related to such facilities, shall be included in the accounts provided for the cost of the facilities constructed.

NOTE D—Proceeds from the sale of timber or of improvements purchased with land rights, less any cost of removal, shall be credited to this account.

462. Compressor Structures and Improvements

This account shall include the cost of structures and related facilities used in connection with the compressor function of gas transmission operations. It shall also include the cost of improvements to such structures and related facilities, and the cost of clearing, levelling or grading land, both before and after construction of structures when such improvements are directly related to the above function and structures.

Components of Compressor Structures

(See general instructions, section 4.)

Boiler	Lighting system
Building	Lightning arrestor
Drainage system	Loading dock
Fencing	Outdoor steel walkways and steps
Heating system	Parking bumper
Hoisting equipment, attached to building	Pipe rack

Plumbing system	Sprinkler system
Protection box	Vehicular bridge
Reservoir	Ventilating system
Road	Water well
Sewage system	Water line
Sidewalk	

NOTE—The cost of foundations special to engines, pumps, compressors and other similar apparatus shall be included in the cost of such apparatus.

463. Measuring and Regulating Structures and Improvements

This account shall include the cost of structures and related facilities used in connection with the measuring and regulating function of gas transmission operations. It shall also include the cost of improvements to such structures and related facilities, and the cost of clearing, levelling or grading land, both before and after construction of structures when such improvements are directly related to the above function and structures.

Components of Measuring and Regulating Structures (See general instructions, section 4.)

Boiler	Plumbing system
Building	Protection box
Drainage system	Reservoir
Fencing	Road
Heating system	Sewage system
Hoisting equipment, attached to building	Sidewalk
Lighting system	Sprinkler system
Lightning arrestor	Vehicular bridge
Loading dock	Ventilating system
Outdoor steel walkways and steps	Water line
Parking bumper	Water well
Pipe rack	

NOTE—The cost of foundations special to engines, pumps, compressors and other similar apparatus shall be included in the cost of such apparatus.

464. Other Structures and Improvements

This account shall include the cost of structures and related facilities used in gas transmission operations not provided for elsewhere. It shall also include the cost of improvements to such structures and related facilities, and the cost of clearing, levelling or grading land, both before and after construction of structures when such improvements are directly related to the above function and structures. The cost of improvements to non-owned property shall also be included in this account.

Components of Other Structures (See general instructions, section 4.)

Boiler	Lightning arrestor
Building	Loading dock
Drainage system	Outdoor steel walkways and steps
Fencing	Parking bumper
Heating system	Pipe rack
Hoisting equipment, attached to building	Plumbing system
Lighting system	Protection box

Reservoir
Road
Sewage system
Sidewalk
Sprinkler system

Vehicular bridge
Ventilating system
Water line
Water well

NOTE—The cost of foundations special to engines, pumps, compressors and others similar apparatus shall be included in the cost of such apparatus.

465. Mains

This account shall include the costs of installed line pipe, laid in the construction of gas transmission lines, between station discharge valve and next station's suction valve, including pipe from receiving meters to delivery meters.

Components of Mains

(See general instructions, section 4.)

Anchor block	Pipe fitting
Blow down tank	Pipe line
Cathodic protection device	Protective coating
Clearing and grading	River crossing header
Damage to property of others	River weight
Drip assembly	Saddle
Equipment foundation	Structural and equipment support
Lightning arrestor	Surveying
Manifold fitting	Valve
Pipe casing	Vent

NOTE—The cost of reopening the trench and backfilling subsequent to original construction, for the purpose of applying the original protection and casing, shall be charged to this account.

466. Compressor Equipment

This account shall include the cost of compressors and associated equipment used in connection with gas transmission operations.

Components of Compressor Equipment

(See general instructions, section 4.)

Air cleaner	Electrical fitting
Air compressor	Equipment foundation
Atmospheric type jacket water cooler	Filter
Auxiliary engine generator	Fire fighting equipment
Base volume index	Garage equipment
Blower	Gauge
Cathodic ground bed	Gauge board panel
Cathodic protection device	Heat exchanger
Circuit breaker and switch	Laboratory equipment
Compressor	Line casing
Conductor	Line pole
Conduit	Line wire
Controller	Manhole
Control panel	Manometer
Dehydrator	Meter body
Drip	Meter station header
Duct	Meter station recorder

Meter tube
Oil reclaimer
Pipe fitting
Piping
Portable meter station
Protective coating and wrap
Pulsation dampener
Pump
Rectifier
Regulator
Relay cabinet
Residence equipment
Scrubber
Shop equipment

Signal
Silencer
Station positive gas meter
Storage battery
Stores equipment
Support
Switchboard
Tank
Telemetering equipment
Transformer
Trap
Valve
Valve box
Water treating equipment

NOTE—The cost of foundations other than those special to particular engines, pumps, compressors and other similar apparatus shall be included in the appropriate structures and improvements account.

467. Measuring and Regulating Equipment

This account shall include the cost of meters, gauges and other equipment used in measuring or regulating gas in connection with gas transmission operations.

Components of Measuring and Regulating Equipment

(See general instructions, section 4.)

Battery
Blower
Cathodic protection device
Chemical
Circuit breaker
Conductor
Conduit
Controller
Control panel
Dehydrator
Duct
Equipment foundation
Fire fighting equipment
Gauge
Governor
Header
Heat exchanger
Laboratory equipment
Manhole
Manometer
Meter recorder
Meter tube and fitting

Odorizing equipment
Panel
Piping
Positive meter
Pulsation dampener
Pump
Regulator
Remote control
Stores equipment
Support
Switch
Switchboard
Tank
Telemetering equipment
Thermometer
Transformer
Tubing
Valve
Valve box
Valve operator
Water treating equipment

NOTE—The cost of foundations other than those special to particular engines, pumps, compressors, and other similar apparatus shall be included in the appropriate structures and improvements account.

468. Communication Structures and Equipment

This account shall include the cost of telephone, telegraph, radio and other communication structures and equipment used wholly or predominantly in connection with gas transmission operations.

Components of Communication Structures and Equipment

(See general instructions, section 4.)

Telegraph & Telephone Structures and Equipment

Aerial attachment	Guy, stub and anchor
Battery	Guy rod and wire
Brace	Insulator and pin
Bracket	Rectifier
Building	Rheostat
Cable and wire	Pole
Cable box and appurtenance	Sending and receiving instrument
Conduit and appurtenance	Submarine cable and connection
Connecting wire	Switchboard
Current controlling instrument	Telephone pole box
Crossman and cross arm bolt	Testing outfit
Electric generator and motor	Tower
Electric meter	Transformer
Engine stationary	Underground cable and connection
Fuse and mechanical protector	

Radio and Radar Equipment

Aerial or antenna and attachment	Radio tower
Control unit	Specialized testing and repair equipment
Power generating, converting or supply equipment	Transmitter and receiver including mobile unit
Radar console and associated equipment	

NOTE—The cost of telegraph, telephone, radio and other communication structures and equipment used wholly or predominantly in connection with the company's general operations shall be included in account No. 488, "Communication structures and equipment".

469. Other Equipment

This account shall include the cost of equipment used in gas transmission operations not provided for elsewhere.

GENERAL PLANT

480. Land

This account shall include the cost of land owned in fee simple and used for the construction and operation of general plant; the cost of land for storage, station, office, shop and other grounds; the cost of land for ingress to or egress from such grounds; the cost of land for storage of material adjoining the right of way; the cost of removing from the land and locating elsewhere the property of others, and the cost of necessary land for relocation of the property, when such costs are assumed by the company.

When land, together with buildings thereon, is acquired, the cost shall be fairly apportioned between land and buildings and accounted for accordingly. If the plan of acquisition contemplates the removal of the buildings, the total cost of the land and buildings shall be accounted for as the cost of the land and the value of the salvage of the buildings when disposed of shall be deducted from the cost of the land as determined.

Proceeds from the sale of timber or of improvements purchased with land, less any cost of removal, shall be credited to this account.

Proceeds from the sale of minerals known to be in the land when purchased and considered in the purchase price thereof shall be credited to this account.

Components of Land

(See general instructions, section 4.)

Abstract	Judgments and decreed costs to clear or defend titles
Appraisal	Legal and notarial fee
Arbitrator in expropriation cases	Plats
Commission paid to others	Premium on expropriation bonds
Compensation and expenses of outside land agents when specifically assigned to acquisition of land, but not arbitrary apportionments for incidental services	Registering, filing and depositing title documents and plans
Cost of clearing, filling and levelling submerged or low land	Payments for release and discharge of encumbrances and charges against the land
Damage to property of others	Payment for release from restrictive provisions of original title documents and for other rights
Ditch for waterway when part of consideration	Removal and relocation of buildings and other structures not purchased
Engineering and survey expense in connection with purchase of land in fee simple	Rent of land when part of consideration for purchase
Expropriation expense, including court costs and special counsel fees	Taxes accrued and assumed at time of purchase

NOTE A—When the acquisition of land for gas pipe line service involves also the purchase of land not to be used for such purposes, the charges to this account shall be based upon the estimated cost at date of acquisition of only that portion which is used for gas pipe line service. The estimated value of that portion which is not so used shall be included in account No. 110, "Other plant". When such land is practically worthless, it shall be included in the account at a nominal value for record purposes.

NOTE B—Payments for options and of interest on options and on contracts to purchase land which it is proposed to use in contemplated construction projects shall be carried in account No. 179, "Other deferred debits", pending determination as to whether to proceed, with the project. If it be decided to proceed with the project, the balance in account No. 179 shall be cleared therefrom and charged to account No. 115, "Gas plant under construction"; if not, the amount lost, including interest, if any, shall be charged to the income accounts or account No. 359, "Other charges", as applicable.

NOTE C—The net proceeds from the sale of minerals and timber in excess of the amount considered therefor in the purchase price of the land shall be credited to account No. 319, "Other income", or account No. 351, "Profit from sale of plant" as applicable.

NOTE D—When land has been purchased for a proposed pipe line operation project and the project has been indefinitely postponed before construction work is begun, the cost of the property shall be transferred to account No. 102, "Gas plant held for future use", sufficient details being included in the entry to permit the classification of the various items of cost in case the project is later pursued. The cost of the work which has been done shall be included in account No. 179, "Other deferred debits", until a decision has been reached as to execution or abandonment of the project. If it be determined to continue the work the cost of the land and the work which has been done shall be transferred to account No. 115, "Gas plant under construction". If the project be abandoned the cost of the work which has been done shall be charged to account No. 329, "Other income deductions" or account No. 355, "Loss from sale or retirement of plant", as applicable.

NOTE E—When land is acquired for which there is not a definite plan for its use in pipe line operations, the cost shall be charged to account No. 110, "Other plant".

NOTE F—In case land is purchased under a definite plan for its use in a construction project, its cost shall be included in account No. 115, "Gas plant under construction", until such time as the project involved is completed ready for service.

NOTE G—The cost of clearing, levelling or grading land, both before and after the construction of facilities thereon, but directly related to such facilities, shall be included in the accounts provided for the cost of the facilities constructed.

481. Land Rights

This account shall include the cost of land rights and easements used in the construction, operation and maintenance of general plant.

Components of Land Rights

(See general instructions, section 4.)

Abstract expense	Outside land right agents compensation
Engineering and survey expenses in connection with expropriation	Plats
Expropriation expense	Premiums on expropriation bonds
Fees and costs of registering, filing and depositing title documents and plans	Payments for release and discharge of encumbrances and charges against the lands affected by the land rights
Judgments and decreed costs of clearing or defending titles	Payments for tenants' consents, options and easements
Legal and notarial fee	

NOTE A—The cost of land owned in fee simple, used as land rights for general plant is provided for in account No. 480, "Land".

NOTE B—Periodical rents paid for use of land rights shall be included in the accounts provided for the expense of operating the facilities used.

NOTE C—The cost of clearing, levelling, or grading land on which the company has acquired land rights, both before and after the construction of facilities thereon, but directly related to such facilities, shall be included in the accounts provided for the cost of the facilities constructed.

NOTE D—Proceeds from the sale of timber or of improvements purchased with land rights, less any cost of removal, shall be credited to this account.

482. Structures and Improvements

This account shall include the cost of structures and related facilities used in gas pipe line operations and not provided for in other structure and improvements accounts. It shall also include the cost of improvements to such structures and related facilities, and the cost of clearing, levelling or grading land, both before and after construction of structures when such improvements are directly related to the above function and structures. The cost of improvements to non-owned property shall also be included in this account when not provided for elsewhere.

Components of Structures

(See general instructions, section 4.)

Boiler	Hoisting equipment, attached to building
Building	Lighting system
Drainage system	Lightning arrestor
Fencing	Loading dock
Heating system	Outdoor steel walkways and steps

Parking bumper	Sidewalk
Pipe rack	Sprinkler system
Plumbing system	Vehicular bridge
Protection box	Ventilating system
Reservoir	Water line
Road	Water well
Sewage system	

NOTE—The cost of foundations special to engines, pumps, compressors and other similar apparatus shall be included in the cost of such apparatus.

483. Office Furniture and Equipment

This account shall include the cost of the office equipment, furniture, and fixtures for general office buildings, when not built in or permanently attached to buildings.

Components of Office Furniture and Equipment (See general instructions, section 4.)

Accounting machine	I.B.M. panel
Adding machine	Integrator
Air conditioner	Lamp
Calculating machine	Library
Carpet	Locker
Chair	Photographic equipment
Clock	Projection equipment
Comptometer	Rug
Desk	Safe
Dictating machine	Space heater
Duplicating machine	Table
Filing cabinet	Typewriter
Humidifier	Water cooler

484. Transportation Equipment

This account shall include the cost of transportation equipment, used in gas pipe line operations.

Components of Transportation Equipment (See general instructions, section 4.)

Aircraft	Helicopter
Aircraft engine	Motor boat
Aircraft float	Motor cycle
Aircraft wheel	Pickup
Automobile	Station wagon
Barge	Tractor
Bicycle	Truck
Bombardier	Truck trailer
Electric vehicle	

485. Heavy Work Equipment

This account shall include the cost of major items of movable equipment for use in construction or maintenance of the gas pipe line system.

Components of Heavy Work Equipment

(See general instructions, section 4.)

Air compressor	Heating kettle
Boring machine	Hoist
Bulldozer	Pipe cleaning machine
Concrete mixer and distributor	Pipe straightening machine
Crane	Power shovel
Derrick	Tamping and backfilling machine
Ditching machine	Trenching machine
Drag line	Welding machine
Generator	

NOTE—Small tools and equipment and large equipment of a non-movable nature shall be included in account No. 486, "Tools and work equipment".

486. Tools and Work Equipment

This account shall include the cost of tools and other items of equipment used in construction or maintenance of the gas pipe line system and not includible in account No. 485, "Heavy work equipment". It shall also include the cost of garage equipment, and large equipment of a non-movable nature.

Components of Tools and Work Equipment

(See general instructions, section 4.)

Air drill	Lathe
Alcohol injector	Lawn mower
Anvil	Lifting magnet
Barometer	Manometer
Battery charger	Milling machine
Bevelling machine	Motor
Blasting machine	Pipe coating tester
Calorimeter	Pipe cutting and threading machine
Corrosion prevention equipment	Pipe locator
Crane	Pipe pusher
Cutter	Pipe threader
Detector	Planer
Dew point tester	Pneumatic tool
Dog house	Pump
Drilling machine	Saw
Engine	Surveying and levelling equipment
Forge	Tool cabinet
Gascope	Tool kit
Generator	Tool rack
Grinder	Vise
Greasing tools and equipment	Wheelbarrow
Gun	Winch
Hand truck	Wrench
Hoist	Work bench

488. Communication Structures and Equipment

This account shall include the cost of telegraph, telephone, radio and other communication structures and equipment used wholly or predominantly in the general operations of the company.

Components of Communication Structures and Equipment

(See general instructions, section 4.)

Telegraph and Telephone Structures and Equipment

Aerial attachment	Guy, stub and anchor
Battery	Guy rod and wire
Brace	Insulator and pin
Bracket	Rectifier
Building	Rheostat
Cable and Wire	Pole
Cable box and appurtenance	Sending and receiving instrument
Conduit and appurtenance	Submarine cable and connection
Connecting wire	Switchboard
Current controlling instrument	Telephone pole box
Cross arm and cross arm bolt	Testing outfit
Electric generator and motor	Tower
Electric meter	Transformer
Engine, stationary	Underground cable and connection
Fuse and mechanical protector	

RADIO AND RADAR EQUIPMENT

Aerial or antenna and attachment	Radio tower
Control unit	Specialized testing and repair equipment
Power generating, converting or supply equipment	Transmitter and receiver including mobile unit
Radar console and associated equipment	

NOTE—The cost of telegraph, telephone, radio and other communication structures and equipment used wholly or predominantly in connection with the company's gas transmission operations shall be included in account No. 468, "Communication structures and equipment".

489. Other Equipment

This account shall include the cost of equipment used in gas pipe line operations and not provided for in other equipment accounts.

UNDISTRIBUTED PLANT

496. Unclassified Plant

This account shall include the cost of gas plant in service pending analyses and distribution to the appropriate primary plant accounts.

497. Interest During Construction

This account shall include interest during construction which is chargeable to plant accounts. It is at the option of the company whether or not interest during construction shall be capitalized.

Where interest during construction is capitalized the relative amounts shall be charged to this account and concurrently credited to account No. 324, "Interest during construction (credit)".

Amounts capitalized prior to the prescribing of this classification, unless they have already been pro-rated over the appropriate gas plant accounts, shall be included herein. (See general instructions, section 14.)

After the prescribing of this classification the interest rate applied shall be based on a reasonable allowance for the use of funds expended during the construction period.

NOTE—The company may, at its option, close out this account by pro-rating the amounts in the account to the appropriate gas plant accounts.

498. Overhead Charged to Construction

This account shall include that portion of the company's overhead expense attributable to the acquisition of plant calculated on a basis of actual costs equitably allocated to each job or unit. (See general instruction, section 6.)

NOTE—The company may, at its option, close out this account by pro-rating the amounts in this account over the appropriate depreciable gas plant accounts.

TEXT PERTAINING TO OPERATING REVENUE ACCOUNTS

The primary accounts included in this group of accounts are designed to show amounts of money which the company becomes entitled to receive, or which accrue to its benefit from the sale of gas, transportation of gas, sale of products extracted from natural gas and from other sales and services incident to gas operations.

The total of these primary operating revenue accounts is included in control account No. 300, "Operating revenue".

OPERATING REVENUE ACCOUNTS

500. Canadian Sales

This account shall include revenue from the sale of gas to utilities and other companies domiciled in Canada.

510. Foreign Sales

This account shall include revenue from the sale of gas to utilities and other companies domiciled outside Canada.

529. Other Sales

This account shall include revenue from gas sales not provided for elsewhere.

550. Sales of Products Extracted from Gas

This account shall include revenues from sales of natural gasoline, butane, propane and other products extracted from gas.

This account shall be subdivided as follows:

- (a) Natural gasoline sales
- (b) Butane sales
- (c) Propane sales
- (d) Other extracted products sales

551. Revenue from Natural Gas Processed by Others

This account shall include the revenue derived from royalties and permits or other basis of settlement for permission granted others for the right to remove products from natural gas.

570. Transportation and Storage of Gas of Others

This account shall include revenue for transporting and storing non-owned gas in the company's system.

575. Rent from Gas Plant

This account shall include rent revenues for the use by others of land, buildings and other plant devoted to gas pipe line operations and the cost of which is included in account No. 100, "Gas plant in service".

The maintenance and operations of plant, the rent from which is includible in this account shall, if assumed by the company, be charged to the operating expense account applicable.

NOTE A—The rent from plant, the cost of which is included in account No. 110, "Other plant", shall be included in account No. 310, "Revenue from other plant".

NOTE B—The rent from plant, the cost of which is included in account No. 101, "Gas plant leased to others" shall be included in account No. 307, "Revenue from gas plant leased to others".

NOTE C—The rent revenue from the sub rental of gas plant shall be credited to the account originally charged with the rent expense.

579. Miscellaneous Operating Revenue

This account shall include miscellaneous operating revenue not provided for elsewhere.

TEXT PERTAINING TO OPERATING ACCOUNTS

The primary accounts included in this group of accounts are designed to show the cost of operating the gas system, including the general facilities, the costs of gas supply and the expenses of administration of such facilities.

The total of these primary operating accounts is included in control account No. 301, "Operating expense".

OPERATING ACCOUNTS

GATHERING OPERATION

610. Supervision

This account shall include the cost of labour, supplies and expenses incurred at a division, district or similar field office in the general supervision of the operation of the gathering system facilities.

Supervision Expenses

(See general instructions, section 4.)

Salaries and wages of superintendents, engineers, clerks, stenographers and other field office employees

Travelling, subsistence, automotive and incidental expenses of employees

Office supplies and expenses such as stationary, postage, maps, telephone, telegraph, light, heat, water

Rents, janitor services and supplies, maintenance of office buildings and equipment

NOTE—Direct supervision of specific activities such as operation of gathering lines, compressor stations, measuring and regulating stations shall be charged to the appropriate account.

612. Gathering of Gas by Others

This account shall include the cost of gathering charges paid to others where such charges are separate and not included as part of the delivered price of gas.

NOTE—The cost of transportation of gas by others shall be charged to account No. 663, "Transportation of gas by others".

615. Pipe Line

This account shall include the cost of labour, supplies and expenses incurred in the operation of gathering system pipe lines and facilities.

Pipe Line Expenses

(See general instructions, section 4.)

Direct supervision

Inspecting and lubricating valves, injectors, etc.

Blowing and cleaning lines, drips, traps, injectors, etc.; thawing freeze ups

Injection of kontrol, methanol, glycol and other chemicals

Reading and reporting line pressures, changing charts

Stand-by time of crews, time spent fire fighting and for other local services
Cutting grass and weeds, clearing brush, fallen trees and other debris, removing
snow on right of way and access roads
Patrolling lines
Cleaning buildings and other structures
Supplies such as lubricants, wiping rags, charts, chemicals, light bulbs, hand tools
and general equipment
Expenses such as use of automotive trucking, aircraft and heavy work equipment,
transportation of supplies, light, heat, water, telephone, telegraph, rents,
employees travelling and subsistence, employee housing
Gas used or lost in pipe line operations

616. Compressor

This account shall include the cost of labour, supplies and expenses incurred
in the operation of gathering system compressor stations and facilities.

Compressor Expenses

(See general instructions, section 4.)

Direct supervision
Operating, cleaning, lubricating engines, generators and other equipment
Packing valves, changing gauge glasses, changing oil and air filter elements
Reading metering instruments, changing charts
Taking water samples, dew point readings, testing and recording
Tending station grounds, removing snow
Cleaning buildings and other structures
Preparing logs and other clerical work
Supplies such as lubricants, wiping rags, charts, chemicals, light bulbs, cleaning and
washroom supplies, first aid supplies, landscaping supplies, hand tools and
equipment
Expenses such as use of automotive, trucking, aircraft and heavy work equipment,
transportation of supplies, light, heat, water, telephone, telegraph, rents,
employee travelling and subsistence, employee housing
Gas used or lost in compressor operations

617. Measuring and Regulating

This account shall include the cost of labour, supplies and expenses incurred
in the operation of gathering system measuring and regulating stations and
facilities.

Measuring and Regulating Expenses

(See general instructions, section 4.)

Direct supervision
Operating, inspecting, testing, adjusting, cleaning and calibrating equipment
Changing meters, orifice plates, clocks, etc.
Recording pressures, reading meters, changing charts
Taking gas samples, water samples, dew point readings, testing and recording
Inspecting, cleaning and blowing drips, pits, sumps, etc.
Tending station grounds, removing snow
Cleaning buildings and other structures
Preparing reports and other clerical work
Supplies such as lubricants, wiping rags, charts, chemicals, pens, ink, mercury, light
bulbs, cleaning and washroom supplies, first aid supplies, landscape supplies,
hand tools and general equipment
Expenses such as use of automotive, trucking, aircraft and heavy work equipment,
transportation of supplies, light, heat, water, telephone, telegraph, rents,
employee travelling and subsistence, employee housing

618. Purification

This account shall include the cost of labour, supplies and expenses incurred in the operation of gathering system purification facilities.

Purification Expenses

(See general instructions, section 4.)

Direct supervision

Changing charts on fuel meters

Emptying, cleaning and refilling purifier boxes

Oiling dip-sheets of purifier covers

Removing spent oxide to refuse piles

Revivifying oxide

Taking readings of inlet and outlet pressures and temperature

Unloading and storing glycol

Watching station and equipment

Cutting grass and weeds, and minor grading around equipment and stations

Hauling operating employees, materials, supplies and tools, etc.

Inspecting and testing equipment, not specifically to determine necessity for repairs or replacement of parts

Lubricating equipment valves, etc.

Operating and checking equipment, valves instruments, etc.

Supplies such as liquid purifying supplies, wiping rags, charts, chemicals, light bulbs, cleaning and washroom supplies, first aid supplies, hand tools and equipment

Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of supplies, light, heat, water, telephone, telegraph, rents, employee travelling and subsistence, employee housing

Gas used or lost in purification operations

619. Other Operations

This account shall include the cost of labour, supplies and expenses incurred in the operation of the gathering system facilities and not includible elsewhere.

PRODUCTS EXTRACTION OPERATION

620. Supervision

This account shall include the cost of labour, supplies and expenses incurred in the general supervision of the operation of products extraction and refining facilities.

Supervision Expenses

(See general instructions, section 4.)

Salaries and wages of superintendents, engineers, clerks, stenographers and other office employees

Travelling, subsistence, automotive and incidental expenses of employees

Office supplies and expenses such as stationary, postage, drawings, telephone, telegraph, light, heat, water

Rents, janitor services and supplies, maintenance of office buildings and equipment

NOTE—Direct supervision of specific activities such as power plant, extraction and refining units, laboratory and warehouse facilities shall be charged to account No. 621, "Extraction and refining".

621. Extraction and Refining

This account shall include the cost of labour, supplies and expenses incurred in the operation of products extraction and refining facilities.

Extraction and Refining Expenses

(See general instructions, section 4.)

Direct supervision

Operating, cleaning, lubricating machinery, valves, gauges; instruments and other equipment

Inspecting and testing instruments and other equipment

Reading meters, gauges and other instruments, changing charts, gauge glasses

Taking and testing water samples, gas samples and other similar laboratory services

Tending plant grounds, removing snow

Producing electricity, steam, pumping cooling water

Preparing logs, reports and other data

Supplies such as amine, dehydration agents, water treating and other chemicals, absorption oil, lubricants, wiping rags, charts, light bulbs, gauge glasses, cleaning and washroom supplies, first aid supplies, landscaping supplies, gas used or lost in operations, hand tools and equipment

Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of supplies, light, heat, power, water, telephone, telegraph, rents, employee travelling and subsistence, employee housing

622. Gas Processing by Others

This account shall include the cost of gas shrinkage, gas consumed for fuel, royalties and other expenses in connection with the processing of gas of this company by others for extraction of saleable products.

Gas shrinkage, is defined as the cost of the reduction in gas from products extraction operations of gas of the company processed by others.

Gas for fuel, is defined as the cost of gas of the company used for fuel in connection with the products extraction processing of the company's gas by others.

Royalties, are defined as the payments of fractional interest of royalty holders in products extracted by others from gas of the company.

GAS SUPPLY ACCOUNTS

623. Gas Purchases

This account shall include the cost, at point of receipt by the company, of all gas purchased and amounts payable to others for their gas sold by the company under agency agreements.

NOTE—Gathering of gas by others and transportation of gas by others where such charges are separate and not part of the delivered price of gas shall be included in account No. 612, "Gathering of gas by others", or account No. 663, "Transportation of gas by others", as applicable.

626. Exchange Gas

This account shall include debits or credits for the cost of gas in unbalanced exchange transactions whereby gas is received from another party and receipt and delivery of such gas is not completed during the accounting period. This accounting is not required for minor transactions.

If revenue is earned in consideration of the performance of exchange services, such revenue shall be recorded in account No. 579, "Miscellaneous operating revenue".

627. Gas Withdrawn from Underground Storage

This account shall include the cost of gas withdrawn from underground storage during the year. These amounts shall be concurrently credited to account No. 152, "Gas stored underground available for sale".

628. Gas Delivered to Underground Storage (Credit)

This account shall be credited with the cost of gas delivered to underground storage during the year. These amounts shall be concurrently charged to account No. 152, "Gas stored underground—available for sale".

629. Gas Used (Credit)

This account shall be credited with amounts which are concurrently charged to operating expense or other accounts in respect of gas used for other than storage purposes.

This account shall be subdivided as follows:

- (a) Gas used in construction
- (b) Gas used in products extraction process
- (c) Gas used for operations and other purposes.

UNDERGROUND STORAGE OPERATION

650. Supervision

This account shall include the cost of labour, supplies and expenses incurred in the general supervision of the operation of underground storage facilities.

Supervision Expenses

(See general instructions, section 4.)

Salaries and wages of superintendents, engineers, clerks, stenographers and other field office employees

Travelling subsistence, automotive and incidental expenses of employees

Office supplies and expenses such as stationery, postage, maps, telephone, telegraph, light, heat, water

Rents, janitor service and supplies, maintenance of office buildings and equipment

NOTE—Direct supervision of specific activities, such as operation of exploration and development, wells, field lines, compressor stations, measuring and regulating stations and purification equipment, shall be charged to the appropriate account.

651. Exploration and Development

This account shall include the cost of labour, supplies and expenses incurred in the investigation, exploration and development of underground storage projects which do not prove feasible. There also shall be included in this account the net cost of drilling non-operative wells within an existing storage project.

NOTE—The cost of labour, supplies and expenses applicable to the drilling of wells used for storage purposes shall be charged to account No. 453, "Wells".

653. Wells

This account shall include the cost of labour, supplies and expenses incurred in the operation of underground storage system wells and facilities.

Wells Expenses

(See general instructions, section 4.)

Direct supervision

Testing, bailing, swabbing, blowing and gauging storage wells"

Painting signs, etc.

Minor upkeep of well roads, fences, etc.

Turning storage wells on and off

Moving cleaning out tools between locations

Supplies such as gas, gasoline, oil used in pumping and bailing, lumber, nails, well swabs, chemicals, first aid supplies, hand tools and equipment.

Expenses such as use of automotive trucking, aircraft and heavy work equipment, transportation of supplies, light, heat, water, telephone, telegraph, rents, employee travelling and subsistence, employee housing.

654. Gas Losses

This account shall include the amounts of inventory adjustments representing the cost of gas lost or unaccounted for in underground storage operations due to cumulative inaccuracies of gas measurements or other causes.

NOTE—If the adjustment is material and relates predominantly to prior years, it shall be charged to account No. 359, "Other charges".

655. Field Line

This account shall include the cost of labour, supplies and expenses incurred in the operation of underground storage field lines and facilities.

Field Line Expenses

(See general instructions, section 4.)

Direct supervision

Inspecting and lubricating valves, injectors, etc.

Blowing and cleaning lines, drips, traps, injectors etc.; thawing freeze-up

Injection of kontol, methanol, glycol and other chemicals

Reading and reporting line pressures, changing charts

Stand-by time of crews, time spent fire fighting and for other local services

Cutting grass and weeds, clearing brush, fallen trees and other debris, removing snow on right of way and access roads

Patrolling lines

Cleaning buildings and other structures

Supplies such as lubricants, wiping rags, charts, chemicals, light bulbs, hand tools and general equipment

Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of supplies, light, heat, water, telephone, telegraph, rents, employee travelling and subsistence employee housing

Gas used or lost in field line operations

656. Compressor

This account shall include the cost of labour, supplies and expenses incurred in the operation of underground storage system compressor stations and facilities.

Compressor Expenses

(See general instructions, section 4.)

Direct supervision

Operating, cleaning, lubricating engines, generators and other equipment

Packing valves, changing gauge glasses, changing oil and air filter elements

Reading metering instruments, changing charts

Taking water samples, dew point readings, testing and recording

Tending station grounds, removing snow

Cleaning buildings and other structures

Preparing logs and other clerical work

Supplies such as lubricants, wiping rags, charts, chemicals, light bulbs, cleaning and washroom supplies, first aid supplies, landscaping supplies, hand tools and equipment

Expenses such as use of automotive trucking, aircraft and heavy work equipment, transportation of supplies, light, heat, water, telephone, telegraph, rents, employee travelling and subsistence employee housing

Gas used or lost in compressor operations

657. Measuring and Regulating

This account shall include the cost of labour, supplies and expenses incurred in the operation of underground storage system measuring and regulating facilities.

Measuring and Regulating Expenses

(See general instructions, section 4.)

Direct supervision

Operating, inspecting, testing, adjusting, cleaning and calibrating equipment

Changing meters, orifice plates, clocks, etc.

Recording pressures, reading meters, changing charts

Taking gas samples, water samples, dew point readings, testing and recording

Inspecting, cleaning and blowing drips, pits, sumps, etc.

Tending station grounds, removing snow

Cleaning buildings and other structures

Preparing reports and other clerical work

Supplies such as lubricants, wiping rags, charts, chemicals, pens, ink, mercury, light bulbs, cleaning and washroom supplies, first aid supplies, landscape supplies, hand tools and general equipment

Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of supplies, light, heat, water, telephone, telegraph, rents, employee travelling and subsistence, employee housing

658. Purification

This account shall include the cost of labour, supplies and expenses incurred in the operation of underground storage system purification facilities.

Purification Expenses

(See general instructions, section 4.)

Direct supervision

Changing charts on fuel meters

Emptying, cleaning and refilling purifier boxes

Oiling dip-sheets of purifier covers

Removing spent oxide to refuse piles

Revivifying oxide

Taking readings of inlet and outlet pressures and temperature
 Unloading and storing glycol
 Watching station and equipment
 Cutting grass and weeds, and minor grading around equipment and stations
 Hauling operating employees, materials, supplies and tools, etc.
 Inspecting and testing equipment, not specifically to determine necessity for repairs or replacement of parts
 Lubricating equipment valves, etc.
 Operating and checking equipment, valves instruments, etc.
 Supplies such as liquid purifying supplies, wiping rags, charts, chemicals, light bulbs, cleaning and washroom supplies, first aid supplies, hand tools and equipment
 Expenses such as use of automotive trucking, aircraft and heavy work equipment, transportation of supplies, light, heat, water, telephone, telegraph, rents, employee travelling and subsistence, employee housing
 Gas used or lost in purification operations

659. Other Operations

This account shall include the cost of labour, supplies and expenses incurred in the operation of the underground storage system facilities and not includible elsewhere.

TRANSMISSION OPERATION

660. Supervision

This account shall include the cost of labour, supplies and expenses incurred at a division, district or similar field office in the general supervision of the operation of the transmission system facilities.

Supervision Expenses

(See general instructions, section 4.)

Salaries and wages of superintendents, engineers, clerks, stenographers and other field office employees
 Travelling, subsistence, automotive and incidental expenses of employees
 Office supplies and expenses such as stationery, postage, maps, telephone, telegraph, light, heat, water
 Rents, janitor services and supplies, maintenance of office buildings and equipment

NOTE—Direct supervision of specific activities such as operation of main lines, compressor stations, measuring and regulating stations shall be charged to the appropriate account.

663. Transportation of Gas by Others

This account shall include the cost of transportation charges paid to others where such charges are separate and not included as part of the delivered price of gas.

NOTE—The cost of gathering of gas by others shall be charged to account No. 612, "Gathering of gas by others".

664. Communication

This account shall include the cost of labour, supplies and expenses incurred in the operation of facilities used wholly or predominantly in connection with the transmission communication system.

Communication Expenses

(See general instructions, section 4.)

Direct supervision

Operating radio equipment, microwave equipment, power generators, etc.

Inspecting, testing, cleaning and lubricating equipment

Inspecting and cleaning buildings and other structures

Refuelling fuel tanks at station sites

Patrolling lines

Cutting grass and weeds, clearing brush, fallen trees and other debris, removing snow from access roads, station sites and structures

Supplies such as lubricants, wiping rags, charts, chemicals, hand tools, testing and other general equipment

Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of supplies, first aid supplies, radio tubes and crystals, landscaping supplies, light, heat, water, telephone, telegraph, rents, employee travelling and subsistence, employee housing

Changing radio frequencies

Transferring mobile radios between vehicles

Changing locations of communication equipment not in connection with maintenance or construction

NOTE—Operating costs applicable to the operation of facilities used wholly or predominantly in the general communications system shall be included in account No. 684, "Communication".

665. Pipe Line

This account shall include the cost of labour, supplies and expenses incurred in the operation of transmission system pipe lines and facilities.

Pipe Line Expenses

(See general instructions, section 4.)

Direct supervision

Inspecting and lubricating valves, injectors, etc.

Blowing and cleaning lines, drips, traps, injectors etc.; thawing freeze ups

Injection of kontrol, methanol, glycol and other chemicals

Reading and reporting line pressures, changing charts

Stand-by time of crews, time spent fire fighting and for other local services

Cutting grass and weeds, clearing brush, fallen trees and other debris, removing snow on right of way and access roads

Patrolling lines

Cleaning buildings and other structures

Supplies such as lubricants, wiping rags, charts, chemicals, light bulbs, hand tools and general equipment

Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of supplies, light, heat, water, telephone, telegraph, rents, employee travelling and subsistence, employee housing

Gas used or lost in pipe line operations

666. Compressor

This account shall include the cost of labour, supplies and expenses incurred in the operation of transmission system compressor stations and facilities.

Compressor Expenses

(See general instructions, section 4.)

Direct supervision

Operating, cleaning, lubricating engines, generators and other equipment

Packing valves, changing gauge glasses, changing oil and air filter elements

Reading metering instruments, changing charts

Taking water samples, dew point readings, testing and recording

Tending station grounds, removing snow

Cleaning buildings and other structures

Preparing logs and other clerical work

Supplies such as lubricants, wiping rags, charts, chemicals, light bulbs, cleaning and washroom supplies, first aid supplies, landscaping supplies, hand tools and equipment

Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of supplies, light, heat, water, telephone, telegraph, rents, employee travelling and subsistence, employee housing

Gas used or lost in compressor operations

667. Measuring and Regulating

This account shall include the cost of labour, supplies and expenses incurred in the operation of transmission system measuring and regulating stations and facilities.

Measuring and Regulating Expenses

(See general instructions, section 4.)

Direct supervision

Operating, inspection, testing, adjusting, cleaning and calibrating equipment

Changing meters, orifice plates, clocks, etc.

Recording pressures, reading meters, changing charts

Taking gas samples, water samples, dew point readings, testing and recording

Inspecting, cleaning and blowing drips, pits, sumps, etc.

Tending station grounds, removing snow

Cleaning buildings and other structures

Preparing reports and other clerical work

Supplies such as lubricants, wiping rags, charts, chemicals, pens, ink, mercury, light bulbs, cleaning and washroom supplies, first aid supplies, landscaping supplies, hand tools and general equipment

Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of supplies, light, heat, water, telephone, telegraph, rents, employee travelling and subsistence, employee housing

669. Other Operations

This account shall include the cost of labour, supplies and expenses incurred in the operation of the transmission system facilities and not includible elsewhere.

GENERAL OPERATION

684. Communication

This account shall include the cost of labour, supplies and expenses incurred in the operation of facilities used wholly or predominantly in connection with the general communication system.

Communication Expenses

(See general instructions, section 4.)

Direct supervision

Operating radio equipment, microwave equipment, power generators, etc.

Inspecting, testing, cleaning and lubricating equipment

Inspecting and cleaning buildings and other structures

Refuelling fuel tanks at station sites

Patrolling lines

Cutting grass and weeds, clearing brush, fallen trees and other debris, removing snow from access roads, station sites and structures

Supplies such as lubricants, wiping rags, charts, chemicals, hand tools, testing and other general equipment

Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of supplies, first aid supplies, radio tubes and crystals, landscaping supplies, light, heat, water, telephone, telegraph, rents, employee travelling and subsistence, employee housing

Transferring mobile radios between vehicles

Changing locations of communication equipment not in connection with maintenance or construction

NOTE—Operating costs applicable to the operation of facilities used wholly or predominantly in the transmission communications system shall be included in account No. 664, "Communication".

685. System Operation and Engineering

This account shall include the cost of labour, supplies and expenses incurred at the general offices of the company for the operation and engineering of the pipeline system.

Indirect Expenses

(See general instructions, section 4.)

Salaries and wages of superintendents, engineers, clerks, stenographers and other employees of the general operating and engineering departments

Travelling, subsistence, automotive and incidental expenses of employees

Office supplies and expenses such as stationary, printing, postage, maps, drawings, telephone, telegraph, light, heat, water

Rents, janitor services and supplies, maintenance of office space, maintenance of office equipment

NOTE A—Amounts of indirect operations chargeable to other accounts shall not be credited herein but shall be included in account No. 689, "General operations transferred (credit)".

NOTE B—Field supervision shall be charged to the appropriate functional accounts.

688. Other General Operations

This account shall include the cost of labour, supplies and expenses incurred in the general operation of the pipe line system facilities not provided for elsewhere.

689. General Operations Transferred (Credit)

This account shall be credited with the costs of general operations transferred to other accounts, such as costs transferred to overhead charged to construction.

ADMINISTRATIVE AND GENERAL EXPENSE

721. Administrative Expense

This account shall include the cost of salaries, supplies and expenses incurred in connection with the general administration of the company, which are assignable to specific executive, administrative and general departments and are not chargeable to a particular operating function.

Administrative Expenses

(See general instructions, section 4.)

Salaries and wages of officers, executives and other employees

Expenses of officers, executives and other employees such as travelling and subsistence, automotive, club and professional dues and expenses, and other incidental expenses

Office supplies and expenses such as stationary, printing, postage, maps, drawings, telephone, telegraph, light, heat, water

Rents, janitor services and supplies, maintenance of office building and office equipment

722. Special Services

This account shall include the fees and expenses of professional consultants and others for general services not applicable to a particular operating function.

Special Services Expenses

(See general instructions, section 4.)

Fees and expenses of auditors, accountants, appraisers, engineering consultants, management consultants, legal consultants, public relations and labour consultants, etc.

Fees and expenses paid under contracts for general management services

Pay and expense of persons engaged for a special administrative or general purpose where the person so engaged is not considered as an employee of the company

NOTE—The cost of special services directly related to gas plant under construction shall be charged to the appropriate construction account.

723. Insurance

This account shall include the remium payable to insurance companies against any loss which may be sustained by the company.

Where the company provides self-insurance, the reserve accruals shall be charged to this account and credited to account No. 290, "Insurance reserves".

Insurance Expenses

(See general instructions, section 4.)

Fire, storm, burglary, boiler explosion, lightning, riot, fidelity, etc.

Public liability, casualty, property damage, employee liability, etc.

NOTE A—Premiums for insurance applicable to construction work shall be charged to construction directly, or by transfer from this account.

NOTE B—Premiums for insurance applicable to transportation equipment and other general equipment may be charged to the appropriate clearing accounts.

NOTE C—Premiums for group, life, medical, hospital, accident, and sickness insurance shall not be included in this account but shall be charged to account No. 725, "Employee benefits".

NOTE D—Recoveries from insurance shall be credited to the account charged with the damage or loss. If damaged property has been retired, credit shall be included in the appropriate accumulated depreciation account.

724. Injuries and Damages

This account shall include all expenses (except law expenses) incurred in settlement of injuries and damage claims, including losses not recovered by insurance.

Injuries and Damages Expenses

(See general instructions, section 4.)

Losses not covered by insurance on account of injuries to employees or others and damages to property of others

Fees and expenses of claims of outside investigators and adjusters

Payments of awards to claimants for court costs and legal services

Medical and hospital service and other expenses of claimants

NOTE—Salaries or wages paid employees disabled by injury when off duty, after a reasonable length of time shall be charged to account No. 725, "Employee benefits".

725. Employee Benefits

This account shall include payments or contributions to provide pensions in respect of past or current services of employees and amounts paid or contributed, including expenses incurred for the relief of welfare of employees.

If the company has instituted a pension trust fund and/or a welfare fund the contributions shall be charged to this account and transferred to the fund.

If the company does not institute a pension or trust fund but makes provision or a reserve against pensions and/or welfare, the reserve accruals shall be charged to this account and credited to account No. 291, "Welfare and pension reserves".

Employee Benefits Expenses

(See general instructions, section 4.)

Payments to or on behalf of employees or pensioners, and to pension funds or to insurance companies for pension purposes

Payments for group and life insurance premiums

Payments for medical, hospital and other accident and sickness expenses, directly or to insurance companies or others

Payments to employees disabled by accident or sickness when off duty after a reasonable length of time

Savings plan contributions

Expenses in connection with educational, recreational and social activities for the benefit of employees

NOTE—Pension payments otherwise chargeable to this account, in respect of employees previously engaged in non gas operations, shall be included in account No. 313, "Non operating expense". (See general instructions, section 3.)

728. Other General Expense

This account shall include expenses incurred in connection with the general management of the company not provided or elsewhere.

Other General Expenses

(See general instructions, section 4.)

Industry association dues for company memberships

Contributions for conventions and meetings of the industry

Contributions to the experimental and research work of the industry, including scholarships and similar grants

Trustee, registrar, and transfer agents, fees and expenses and other fiscal or corporate expenses

Stockholders' meeting expenses

Publishing and printing annual reports

Advertising and promotion

Donations

Bad debts

729. Administrative and General Expense Transferred (Credit)

This account shall be credited with the amounts of administrative and general expenses which are allocated to other accounts or to overhead during construction. The method and basis of allocation shall be maintained in subsidiary records.

TEXT PERTAINING TO MAINTENANCE ACCOUNTS

The primary accounts included in this group of accounts are designed to show the costs of maintaining the gas system including the general facilities.

The total of these primary maintenance accounts is included in control account No. 302, "Maintenance expense".

MAINTENANCE ACCOUNTS

GATHERING MAINTENANCE

810. Supervision

This account shall include the cost of labour, supplies and expenses incurred at a division, district or similar field office in the general supervision of the maintenance of gathering system facilities.

Supervision Expenses

(See general instructions, section 4.)

Salaries and wages of superintendents, supervisors, engineers, clerks, stenographers and other office employees

Travelling subsistence, automotive and incidental expenses of employees

Office supplies and expenses, such as stationary, postage, drawings, telephone, telegraph, light, heat and water

Rents, janitor services and supplies, repairs of buildings and equipment

NOTE A—The items of cost to be included in this account may be initially charged to account No. 610, "Supervision", and apportioned between operation and maintenance supervision on an equitable basis. The method and basis of allocation shall be maintained in subsidiary records.

NOTE B—Direct supervision of specific activities such as maintenance of gathering lines, compressor stations, measuring and regulating stations shall be charged to the appropriate account.

815. Pipe Line

This account shall include the cost of labour, supplies and expenses incurred in the maintenance of gathering system pipe line and facilities.

Pipe Line Expenses

(See general instructions, section 4.)

Direct supervision

Repairs to and protection of right of way

Repairs to access roads

Repairs to fences, aerial markers, signs

Repairs to river crossings, including bridges

Repairs to valves, boxes, drips, scraper traps, chemical injectors, dehydrators, cathodic protection equipment

Repairs to tools, testing equipment and other general equipment

Repairs to buildings and other structures

Repairs to pipe and fittings, renewing and replacing in kind less than a unit of line pipe

Inspecting and testing after repairs have been made

Repainting

Material and supplies used in repair work

Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of material, employee travelling and subsistence

NOTE—Payment of claims for damages to property of others resulting from maintenance work shall be charged to account No. 724, "Injuries and damages". Incidental damages settled during the course of maintenance work shall be charged thereto.

816. Compressor

This account shall include the cost of labour, supplies and expenses incurred in the maintenance of gathering system compressor stations and facilities.

Compressor Expenses

(See general instructions, section 4.)

Direct supervision

Repairs to compressor engines, generators and other equipment

Repairs to tools, testing equipment and other general equipment

Inspecting and testing after repairs have been made

Repairs to station grounds, buildings and other structures

Repairs to access roads

Repairs to fences and signs

Repainting

Material and supplies used in repair work

Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of material, employee travelling and subsistence

817. Measuring and Regulating

This account shall include the cost of labour, supplies and expenses incurred in the maintenance of gathering system measuring and regulating stations and facilities.

Measuring and Regulating Expenses

(See general instructions, section 4.)

Direct supervision

Repairs to measuring, regulating and other equipment

Repairs to tools, testing equipment and other general equipment

Inspecting and testing after repairs have been made

Repairs to station grounds, buildings and other structures

Repairs to access roads

Repairs to fences and signs

Repainting

Material and supplies used in repair work

Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of material, employee travelling and subsistence.

818. Purification

This account shall include the cost of labour, supplies and expenses incurred in the maintenance of gathering system purification facilities.

Purification Expenses

(See general instructions, section 4.)

Direct supervision

Repairs to purification equipment

Repairs to tools, testing equipment and other equipment

Material and supplies used in repair work

Expenses such as, use of automotive, trucking, aircraft and heavy work equipment, transportation of materials, employee travelling and subsistence.

819. Other Maintenance

This account shall include the cost of labour, supplies and expenses incurred in the maintenance of the gas gathering system facilities and not includible elsewhere.

PRODUCTS EXTRACTION MAINTENANCE

820. Supervision

This account shall include the cost of labour, supplies and expenses incurred in the general supervision of the maintenance of products extraction and refining facilities.

Supervision Expenses

(See general instructions, section 4.)

Salaries and wages of superintendents, supervisors, engineers, clerks, stenographers and other office employees

Travelling subsistence, automotive and incidental expenses of employees

Office supplies and expenses, such as stationery, postage, drawings, telephone, telegraph, light, heat and water

Rents, janitor services and supplies, repair of buildings and equipment

NOTE A—The items of cost to be included in this account may be initially charged to account No. 620, "Supervision", and apportioned between operation and maintenance supervision on an equitable basis. The method and basis of allocation shall be maintained in subsidiary records.

NOTE B—Direct supervision of specific activities such as power plant, extraction and refining units, laboratory and warehouse facilities shall be charged to account No. 821, "Extraction and refining".

821. Extraction and Refining

This account shall include the cost of labour, supplies and expenses incurred in the maintenance of products extraction and refining facilities.

Extraction and Refining Expenses

(See general instructions, section 4.)

Direct supervision

Repairs to absorbers, stills, dehydrators, scrubbers, towers, condensers

Repairs to boilers, generators, motors, pumps, valves

Repairs to electrical, water and piping systems

Repairs to overhead cranes, trolleys, hoists

Repairs to plant grounds, fences, buildings, tanks and other structures

Repairs to regulating and measurement instruments and equipment

Repairs to tools, testing and other general equipment

Repainting

Material and supplies used in repair work

Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of materials, employee travelling and subsistence

UNDERGROUND STORAGE MAINTENANCE

850. Supervision

This account shall include the cost of labour, supplies and expenses incurred in the general supervision of the maintenance of underground storage system facilities.

Supervision Expenses

(See general instructions, section 4.)

Salaries and wages of superintendents, supervisors, engineers, clerks, stenographers and other office employees
Travelling subsistence, automotive and incidental expenses of employees
Office supplies and expenses, such as stationery, postage, drawings, telephone, telegraph, light, heat and water
Rents, janitor services and supplies, repairs of buildings and equipment

NOTE A—The items of cost to be included in this account may be initially charged to account No. 650, "Supervision" and apportioned between operation and maintenance supervision on an equitable basis. The method and basis of allocation shall be maintained in subsidiary records.

NOTE B—Direct supervision of specific activities such as maintenance of field lines, compressor stations and measuring and regulating stations shall be charged to the appropriate account.

853. Wells

This account shall include the cost of labour, supplies and expenses incurred in the maintenance of underground storage system wells and facilities.

Wells Expenses

(See general instructions, section 4.)

Direct supervision
Repairs to well head equipment, tools and testing equipment
Repairs to access roads, fences and signs
Material and supplies used in repair work
Expenses, such as, use of automotive, trucking, aircraft and heavy work equipment, transportation of materials, employee travelling and subsistence.

855. Field Line

This account shall include the cost of labour, supplies and expenses incurred in the maintenance of underground storage system field lines and facilities.

Field Line Expenses

(See general instructions, section 4.)

Direct supervision
Repairs to and protection of right of way
Repairs to access roads
Repairs to fences, aerial markers, signs
Repairs to river crossings including bridges
Repairs to valves, boxes, drips, scraper traps, chemical injectors, dehydrators, cathodic protection equipment
Repairs to tools, testing equipment and other general equipment
Repairs to buildings and other structures
Repairs to pipe and fittings, renewing and replacing in kind less than a unit of line pipe
Inspecting and testing after repairs have been made
Repainting
Material and supplies used in repair work
Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of material, employee travelling and subsistence

NOTE—Payment of claims for damages to property of others resulting from maintenance work shall be charged to account No. 724, "Injuries and damages". Incidental damages settled during the course of maintenance work shall be charged thereto.

856. Compressor

This account shall include the cost of labour, supplies and expenses incurred in the maintenance of underground storage system compressor stations and facilities.

Compressor Expenses

(See general instructions, section 4.)

Direct supervision

Repairs to compressor engines, generators and other equipment

Repairs to tools, testing equipment and other general equipment

Inspecting and testing after repairs have been made

Repairs to station grounds, buildings and other structures

Repairs to access roads

Repairs to fences and signs

Repainting

Material and supplies used in repair work

Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of material, employee travelling and subsistence.

857. Measuring and Regulating

This account shall include the cost of labour, supplies and expenses incurred in the maintenance of underground storage system measuring and regulating facilities.

Measuring and Regulating Expenses

(See general instructions, section 4.)

Direct supervision

Repairs to measuring, regulating and other equipment

Repairs to tools, testing equipment and other general equipment

Inspecting and testing after repairs have been made

Repairs to station grounds, buildings and other structures

Repairs to access roads

Repairs to fences and signs

Repainting

Material and supplies used in repair work

Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of material, employee travelling and subsistence.

858. Purification

This account shall include the cost of labour, supplies and expenses incurred in the maintenance of underground storage system purification facilities.

Purification Expenses

(See general instructions, section 4.)

Direct supervision

Repairs to purification equipment

Repairs to tools, testing equipment and other equipment

Material and supplies used in repair work

Expenses such as, use of automotive, trucking aircraft and heavy work equipment, transportation of materials, employee travelling and subsistence.

859. Other Maintenance

This account shall include the cost of labour, supplies and expenses incurred in the maintenance of the underground storage system facilities and not includible elsewhere.

TRANSMISSION MAINTENANCE

860. Supervision

This account shall include the cost of labour, supplies and expenses incurred at a division, district or similar field office in the general supervision of the maintenance of the transmission system facilities.

Supervision Expenses

(See general instructions, section 4.)

Salaries and wages of superintendents, supervisors, engineers, clerks, stenographers and other office employees

Travelling subsistence, automotive and incidental expenses of employees

Office supplies and expenses, such as stationery, postage, drawings, telephone, telegraph, light, heat and water

Rents, janitor services and supplies, repairs of buildings and equipment

NOTE A—The items of cost to be included in this account may be initially charged to account No. 660, "Supervision", and apportioned between operation and maintenance supervision on an equitable basis. The method and basis of allocation shall be maintained in subsidiary records.

NOTE B—Direct supervision of specific activities such as maintenance of main lines, compressor stations, measuring and regulating stations shall be charged to the appropriate account.

864. Communication

This account shall include the cost of labour, supplies and expenses incurred in the maintenance of facilities used wholly or predominantly in connection with the transmission communication system.

Communication Expenses

(See general instructions, section 4.)

Direct supervision

Repairs to radio and telephone equipment and to power lines

Repairs to tools, testing equipment and other general equipment

Inspecting and testing after repairs have been made

Repairs to access roads, station grounds, buildings and other structures

Repairs to fences and signs

Repainting

Material and supplies used in repair work

Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of supplies, employee travelling and subsistence.

NOTE—Maintenance costs applicable to the maintenance of facilities used wholly or predominantly in the general communications system shall be included in account No. 884, "Communication".

865. Pipe Line

This account shall include the cost of labour, supplies and expenses incurred in the maintenance of transmission system pipe line and facilities.

Pipe Line Expenses

(See general instructions, section 4.)

Direct supervision

Repairs to and protection of right of way

Repairs to access roads

Repairs to fences, aerial markers, signs
Repairs to river crossings including bridges
Repairs to valves, boxes, drips, scraper traps, chemical injectors, dehydrators, cathodic protection equipment
Repairs to tools, testing equipment and other general equipment
Repairs to buildings and other structures
Repairs to pipe and fittings, renewing and replacing in kind less than a unit of line pipe
Inspecting and testing after repairs have been made
Repainting
Material and supplies used in repair work
Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of material, employee travelling and subsistence

NOTE—Payment of claims for damages to property of others resulting from maintenance work shall be charged to account No. 724, "Injuries and damages". Incidental damages settled during the course of maintenance work shall be charged thereto.

866. Compressor

This account shall include the cost of labour, supplies and expenses incurred in the maintenance of transmission system compressor stations and facilities.

Compressor Expenses

(See general instructions, section 4.)

Direct supervision
Repairs to compressor engines, generators and other equipment
Repairs to tools, testing equipment and other general equipment
Inspecting and testing after repairs have been made
Repairs to station grounds, buildings and other structures
Repairs to access roads
Repairs to fences and signs
Repainting
Material and supplies used in repair work
Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of material, employee travelling and subsistence

867. Measuring and Regulating

This account shall include the cost of labour, supplies and expenses incurred in the maintenance of transmission system measuring and regulating stations and facilities.

Measuring and Regulating Expenses

(See general instructions, section 4.)

Direct supervision
Repairs to measuring, regulating and other equipment
Repairs to tools, testing equipment and other general equipment
Inspecting and testing after repairs have been made
Repairs to station grounds, buildings and other structures
Repairs to access roads
Repairs to fences and signs
Repainting
Material and supplies used in repair work
Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of material, employee travelling and subsistence

869. Other Maintenance

This account shall include the cost of labour, supplies and expenses incurred in the maintenance of the gas transmission system facilities and not includible elsewhere.

GENERAL MAINTENANCE

884. Communication

This account shall include the cost of labour, supplies and expenses incurred in the maintenance of facilities used wholly or predominantly in connection with the general communication system.

Communication Expenses

(See general instructions, section 4.)

Direct supervision

Repairs to radio and telephone equipment and to power lines

Repairs to tools, testing equipment and other general equipment

Inspecting and testing after repairs have been made

Repairs to access roads, station grounds, buildings and other structures

Repairs to fences and signs

Repainting

Material and supplies used in repair work

Expenses such as use of automotive, trucking, aircraft and heavy work equipment, transportation of material, employee travelling and subsistence

NOTE—Maintenance costs applicable to the maintenance of facilities used wholly or predominantly in the transmission communication system shall be included in account No. 864, "Communication".

885. System Maintenance and Engineering

This account shall include the cost of labour, supplies and expenses incurred at the general offices of the company for the maintenance of the pipe line system.

NOTE A—The items of cost to be included in this account may be initially charged to account No. 685, "System operation and engineering", and apportioned between operation and maintenance on an equitable basis. The method and basis of allocation shall be maintained in subsidiary records.

NOTE B—Field supervision shall be charged to the appropriate functional accounts.

888. Other General Maintenance

This account shall include the cost of labour, supplies and expenses incurred in the general maintenance of the pipe line system facilities not provided for elsewhere.

889. General Maintenance Transferred (Credit)

This account shall be credited with the costs of general maintenance transferred to other accounts, such as costs transferred to overhead charged to construction.

CLEARING ACCOUNTS

900. Warehouse Expense

This account shall include expenses directly incurred in connection with handling, and storing material in and distributing it from the company's warehouses, including the pay of employees in the field store departments and their travelling, office, and other expenses. The pay and expenses of men employed in inspecting a single class of material shall be added as store expenses to the cost of that particular material.

The total amount of warehouse expenses charged to this account shall be so distributed among the accounts to which material has been charged that the amounts thus distributed will be, for each account, in proportion to the value of the material consumed chargeable thereto. To avoid monthly fluctuations in the ratio of warehouse expenses to the value of material purchased or issued, the company may make a monthly apportionment on the basis of fair percentage rates, provided the warehouse expense account be adjusted and closed out at the end of each calendar year.

The monthly balance in this account shall be included in account No. 179, "Other deferred debits".

901. Transportation Equipment Expense

This account shall include the expenses of maintaining and operating all transportation equipment, except as provided in account No. 903, "Aircraft expense", including the expenses of operating garages.

This account shall be cleared by adding to the cost of the work performed through the use of such equipment, such amounts as will distribute expenses equitably.

Items of Expense

(See general instructions, section 4.)

Depreciation

License fees for drivers

Overages and shortages in material and supplies for transportation equipment

Repairs to transportation equipment

Supplies, such as fuel, gasoline, oil, tires, tubes, tire chains, soap, waste, sponges, measures, funnels, electric power, etc., used in the operation of transportation equipment and garages

Supervisors and their office and field forces including the pay and expenses of inspectors, testers, garage men, and other employees

NOTE—When depreciation is included herein such amounts shall be reported separately in the Annual Report to the National Energy Board.

902. Heavy Work Equipment Expense

This account shall include the expenses of maintaining and operating of heavy work equipment.

This account shall be cleared by adding to the cost of the work performed through the use of such equipment, such amounts as will distribute expenses equitably.

NOTE—When depreciation is included herein such amounts shall be reported separately in the Annual Report to the National Energy Board.

903. Aircraft Expense

This account shall include the expenses of maintaining and operating aircraft, including the expenses of operating hangars and maintenance shops in connection with such aircraft.

This account shall be cleared by adding to the cost of the work performed through the use of aircraft such amounts as will distribute expenses equitably.

NOTE—When depreciation is included herein such amounts shall be reported separately in the Annual Report to the National Energy Board.

904. Printing and Reproduction Expense

This account may include the expenses incurred on the printing and reproduction of any documents where the work is performed by the company.

This account shall be cleared by adding to the cost of the work performed, such amounts as will distribute expenses equitably.

